FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-89-128
Thursday
6 July 1989

Daily Report
Latin America

FBIS-LAT-89-128 6 July 1989

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

'Special Military Tribunal' Against Ochoa *[Havana TV]* 1
Prosecutor Wants Death Penalty *[Havana TV]* 29
Summary of 4th Session of Hearings *[Havana TV]* 29
House of Americas President on TV Marti *[Havana TV]* 30
Havana Scholars Denounce Broadcast *[Havana TV]* 30
Flights Between Havana, Berlin Inaugurated *[Havana TV]* 31
Sugar Industry Minister Ends Visit to Bulgaria *[Havana Radio]* 31
Ricardo Alarcon on Troops, Tripartite Accord *[Havana Radio]* 31
Div Gen Acevedo Welcomes Internationalists *[Havana TV]* 31
Pedro Ross Greets Combatants *[Havana TV]* 31
Over 150 More Return *[Havana TV]* 32
Over 300 Welcomed at Cacahual *[Havana TV]* 32
Internationalist Dies in Car Accident in USSR *[Havana TV]* 32
Agreement With UN Food, Agriculture Group *[Havana TV]* 32
Foreign Minister Suggests Economic Solutions *[Havana Radio]* 32

MEXICO

PRI Concedes PAN Victory in Baja California *[AFP]* 33
3 DFS Chiefs Arrested for Reporter's Death *[THE NEWS 25 Jun]* 33
PLO Delegation Meets Foreign Secretary *[NOTIMEX]* 33
* Ex-Oil Worker Denies Dealings With Cubans *[PROCESO 29 May]* 34
Missions Planned in Thailand, Singapore *[Mexico City TV]* 35

CENTRAL AMERICA

Guatemala

Agriculture Minister Resigns; Replacement Named *[EL GRAFICO 4 Jul]* 36
* Electric Power Industry Problems Reviewed *[EL GRAFICO 22 May]* 36

Honduras

Contras Reportedly Kill 2 EPS Soldiers *[Hamburg DPA]* 38

Nicaragua

Santiago Paper Interviews Daniel Ortega *[ANALISIS 26 Jun-2 Jul]* 39
Ortega Meets Region 6 Agricultural Producers *[Managua Radio]* 40

Panama

Dignity Battalions Block Fort Clayton Entrance *[Hamburg DPA]* 40
Battalions Stage 'Protest' *[Panama City TV]* 40
Reportage on Reactions to U.S. Army Activities 41
Noriega 'Cautious' in Comments *[Hamburg DPA]* 41
News Conference Views Situation *[Panama City Radio]* 41
Communique Denounces Activities *[Panama City Radio]* 45
Daily on 'Provocation' at Plant *[MATUTINO 5 Jul]* 45
Tax Exemptions for U.S. Personnel Suspended *[MATUTINO 5 Jul]* 46
Solis Palma on 'Special Formulas' Being Studied *[Hamburg DPA]* 46
On Corruption in Government *[Panama City TV]* 46
Government Minister on 'Unlikely' U.S. Invasion *[Panama City TV]* 48
Press Criticizes U.S. Army General Cisneros 48
Cisneros Called 'Dangerous' *[LA REPUBLICA DOMINICAL 2 Jul]* 48
Cisneros' 'Provocations' Noted *[CRITICA 3 Jul]* 49
Legislators Conclude Regular Session Period *[Panama City Radio]* 50
Supreme Court Suspends TEP Magistrate *[CRITICA 1 Jul]* 50

SOUTH AMERICA

Argentina

Future Economy Minister on Exports, Dollar Rate *[TELAM]* 51
ATC Personnel Strike for Indefinite Period *[TELAM]* 51
Foreign Ministry Under Secretary Designated *[NOTICIAS ARGENTINAS]* 51

Brazil

Environmental Agreement Signed With UK *[Brasilia Radio]* 51
Finance Minister Discards Moratorium, Devaluation *[Rio de Janeiro TV]* 52
Apple Juice Co-Produced With USSR, Sweden *[O ESTADO DE SAO PAULO 28 Jun]* 52
* Progress of Submarine Construction Reviewed *[MANCHETE 27 May]* 52
June Inflation Rate Totals 24.8 Percent *[Rio de Janeiro TV]* 55
Fuel Prices Increased by Average of 11 Percent *[FOLHA DE SAO PAULO 3 Jul]* 55
April-May AIDS Cases Reported, Confirmed *[Brasilia Radio]* 55
Correction: Finance Minister on Moratorium 55

Chile

Foreign Minister To Attend Menem Inauguration *[Santiago Radio]* 55
Pinochet Resumes Duties After Bout With Flu *[Santiago Radio]* 56
Christian Left Supports Aylwin Candidacy *[Santiago Radio]* 56
Socialist Party Faction Voices Support for Aylwin *[Santiago TV]* 56
Socialist International Officers Named *[EL MERCURIO 24 Jun]* 56
PCCh Declaration: Pinochet Must Resign *[LA TERCERA DE LA HORA 28 Jun]* 56
Armed Group Attacks Mormon Church in Santiago *[Santiago Radio]* 57
Bombs Damage Phone Company, Court in Temuco *[Santiago Radio]* 57
Health Ministry Releases AIDS Statistics *[Santiago Radio]* 57

Colombia

Group Attacks U.S. Ambassador's Residence *[AFP]* 57
Further on Residence Attack *[Bogota TV]* 57
Attack Appears Unintentional *[Bogota TV]* 58
Government Announces New Economic Measures *[Bogota TV]* 58
ELN Guerrillas Burn Oil Trucks, Ambush Patrol *[AFP]* 58

Ecuador

DP Ends Collaboration With Government Party *[AFP]* 59

Paraguay

Lawyer Confirms Release of Labor Leader *[ABC COLOR 5 Jul]* 59
Foreign Minister To Investigate Passport Scandal *[EL DIARIO 30 Jun]* 60
Colorado Party Leader Returns From Meeting Menem *[PATRIA 2 Jul]* 60

Peru

Shining Path Guerrillas Attack Soviet 'Tourists' *[TELAM]* 60
Further on Guerrilla Attack *[Madrid EFE]* 60
Terrorists Kill Mayor, Governor, 8 More *[Madrid EFE]* 60
Shining Path Kills 2 Elderly People in Junin *[Madrid EFE]* 61

Cuba

'Special Military Tribunal' Against Ochoa

PA0207043689 Havana Cubavision Television in Spanish 0030 GMT 2 Jul 89

[Report on the court-martial of Division General Arnaldo Ochoa Sanchez and 13 other Revolutionary Armed Forces (FAR) and Interior Ministry commanders and officers in Havana on 30 June—recorded]

[Text] [Division General Ramon Espinosa Martin] You may sit. We will now open the oral hearing of the summary trial of case No 1 of 1989 of the special military tribunal against the accused: Arnaldo Ochoa Sanchez, Jorge Martinez Valdes, Antonio Rodriguez Estupinan, Antonio de la Guardia Font, Amado Padron Trujillo, Antonio Sanchez Lima, Eduardo Diaz Izquierdo, Alexis Lago Arocha, Miguel Ruiz Poo, Rosa Maria Abierno Gobin, Luis Pineda Bermudez, Gabriel Prendes Gomez, Leonel Estevez Soto, and Patricio de la Guardia Font for the crimes of: abuse of authority and drug trafficking.

[Station announcer] [Espinosa continues, but fades into background while announcer speaks] The hearing began with a report by the president of the tribunal, who announced the charges against the 14 defendants: crimes against the fatherland, abuse of authority, and the trafficking of narcotic drugs. The trial is taking place with all legal guarantees and all the accused are represented by their defense lawyers.

[Espinosa continues] The tribunal is comprised of: Div Gen Ramon Espinosa Martin, president; Div Gen Julio Casas Regueiro, judge; Div Gen Fabian Escalante Font, judge; Brig Gen Juan Escalona Reguera, representative of the prosecutor; Col Alberto Ruben D. Toste Rodriguez, defense lawyer for Arnaldo Ochoa Sanchez and Jorge Martinez Valdes; Maj Julio A Gonzalez Cueto, defense lawyer for Patricio de la Guardia Font; Maj Juan Aramis Villalon Ona, defense lawyer for Antonio de la Guardia Font; Maj Aristides Rusignol de la Pena, defense lawyer for Amado Padron Trujillo; Maj Ramon Aymeriche Salas, defense lawyer for Antonio Rodriguez Estupinan; Maj Manuel Garcia Nicolas, defense lawyer for Alexis Lago Arocha and Gabriel Prendes Gomez; Maj Luis Raul Martinez Perez, defense lawyer for Miguel Ruiz Poo and Rosa Maria Abierno Gobin; Capt Roilan Hernandez Concepcion, defense lawyer for Antonio Sanchez Lima and Leonel Estevez Soto; and 1st Lt Estel Recio Zamora, defense lawyer for Luis Pineda Bermudez and Eduardo Diaz Izquierdo.

Defendants and defense lawyers, please stand. Do you have anything to say against the members of the tribunal and the prosecutor in this trial? Please sit.

[Station announcer] [Espinosa fades into background] The report covered the incidents that were disclosed to the public by the GRANMA editorial of 22 June. Some specific details of the most important drug trafficking operations were added to the document, which also talked about the dishonest, corrupt, disloyal, and traitorous conduct of the FAR and Interior Ministry officers.

[Espinosa continues] Arnaldo Ochoa Sanchez, stand before the tribunal.

Ochoa Sanchez, the law gives you the right to make your statement. Would you like to make a statement?
[Ochoa] Well...

[Espinosa, interrupting] Say yes or no.
[Ochoa] Yes.

[Espinosa] Answer the questions made to you by the prosecutor. You must always look toward the tribunal.

[Escalona] Arnaldo Ochoa Sanchez, in your first statements at the Honor Tribunal in the Ministry of the Revolutionary Armed Forces, you said that your main concern was the situation that the Revolution will now have to face because throughout its history it has maintained a very clear, correct policy regarding all drug trafficking dealings. While the party was saying it had nothing to do with it, we were involved in these dealings. I end your quote. In your court appearance document you pointed out that you accepted the charges and stated that they have had a negative effect on the principles followed by the Revolution against drug trafficking.

In view of all this and in view of the fact that this is a court-martial session, it is necessary for you to answer some questions which are essential to explain your conduct.

Ochoa, can you tell us when you first conceived of the idea of getting involved in drug trafficking deals?
[Ochoa] Actually, getting involved in drug trafficking, that was [words indistinct] of 1987.

[Escalona] Ochoa, were you aware that there was a group headed by former Colonel Tony de la Guardia conducting drug trafficking operations in Cuba?
[Ochoa] I was not aware of that. Tony never told me he was engaged in drug trafficking operations. He told me about the tobacco operation, the art objects operation, and the most recent operation, which I think was 1 or 2 months ago, involving cockfighting. However, he never told me that he was involved in drug trafficking operations here. Moreover, I think it was in September—because Patricio [Brigadier General Patricio de la Guardia Font] was here and Patricio and I had discussed this in Angola—that we commented something about this. As is said in our statement, we, for our own purposes as I referred to it, sent Martinez from Angola to get in contact with Patricio, I mean with Antonio, because we were aware Antonio de la Guardia had many contacts abroad. In addition, regardless of the fact that

there were attempts to carry out two operations, my plan in this regard was never [rephrases] the main goal was never to traffic drugs through Cuba.

We thought we could get involved through the exisiting mechanisms, basically through Colombia and Mexico, not through Cuba.

[Escalona] Ochoa, how do you explain the contacts between your assistant Jorge Martinez Valdes and some members of the Tony de la Guardia group?
[Ochoa] On one occasion, as I previously explained, we sent a message to Antonio de la Guardia to help Martinez. This is how that began.

[Escalona] Excuse me. Did the assistance turn into a coordination of actions to [words indistinct]...
[Ochoa, interrupting] It was not exactly a coordination of actions. Rather, we requested assistance abroad, basically Panama, with some business contacts he had there.

[Escalona] However, this meeting did take place. Did Martinez report this to you?
[Ochoa] Yes. He told me later on. We...

[Escalona, interrupting] Did he tell you about the nature of the business related to [words indistinct]?
[Ochoa] Of course, of course. All this is stated in my statement.

[Escalona] Were you opposed to that?
[Ochoa] No, I did not object. I have admitted to all the charges.

[Escalona] Did you allow him to [words indistinct]?
[Ochoa] Yes, certainly.

[Escalona] Then the events regarding the Colombian passport and the Martinez trip did take place?
[Ochoa] Yes, I permitted all that.

[Escalona] Were you also aware of that?
[Ochoa] Yes, I was fully aware.

[Escalona] What about the boat, the failed boat mission?
[Ochoa] Well, concerning the boat mission, and the change for the [words indistinct]...

[Escalona, interrupting] What about the change, I mean, the transportation by plane?
[Ochoa] I was in Angola at that time. However, I was notified about it.

[Escalona] How did they notify you of this?
[Ochoa] I do not remember. I was notified, but I do not remember how. Perhaps it was on one of those trips I took when I came here, or perhaps he called me by phone. I was notified about all that.

[Escalona] The shipment, the operation was planned for April. When did you receive information on that?
[Ochoa] I cannot tell you the date. I know the boat plan existed, and I know that when the boat operation failed, the possibility of using planes was discussed. I was aware of that. However, I cannot specify the date.

[Escalona] Did you approve of that?
[Ochoa] Yes.

[Escalona] Right, because some trips were even made on the boat.
[Ochoa] Right, right. He thought about that. Yes.

[Escalona] Ochoa, what made you tell Martinez you were going to break relations with Tony de la Guardia? Because the business was too small? Was it because it was [words indistinct]?
[Ochoa] No, that was not the issue. When I said to Martinez: Let us separate from this, I was already thinking about something else. I was thinking about something else.

[Escalona] Were you thinking about big business?
[Ochoa] No, I always thought about big business, because I was aware that for our purposes, or at least for my own mind's illusions, that was not profitable. That is, it did not provide profits.

[Escalona] Ochoa, did you think about a big drug-trafficking business through Mexico and other ways without compromising Cuba, trying to preserve Cuba? However, the goal was to make huge sums of money. That is, big drug-trafficking operations, huge sums of money?
[Ochoa] Yes.

[Escalona] Was that money going to be invested in Cuba through a third person?
[Ochoa] Yes, Mr Prosecutor, but that same third person was going to carry out the business, not us.

[Escalona] Was he going to invest in Cuba?
[Ochoa] Yes.

[Escalona] With money produced by drug trafficking?
[Ochoa] Yes, from drug trafficking.

[Escalona] Your idea was only to open the path?
[Ochoa] Yes. The last contact or trip Martinez was going to make to Panama was with this man to let him know who his contacts were. We even made plans. I told him: Make the contacts and see what you can do, because everything was...

[Escalona, interrupting] Did the Martinez-Escobar meeting follow that same (?intuitive) line?
[Ochoa] Yes.

[Escalona] And latter conversations about...

[Ochoa, interrupting] Everything, absolute everything; that was the line from the very beginning. We strayed a little, and when we met with Tony's people we tried to carry out an operation like that, but that was not our objective. Our objective was to involve ourselves in big businesses, not small ones.

[Escalona] Ochoa, based on your perception, what is your opinion of the businesses of De la Guardia and his group?
[Ochoa] [Words indistinct] getting dirty for nothing.

[Escalona] There was no [word indistinct]?
[Ochoa] No.

[Escalona] What can happen in Cuba and what must Cuba face after discovering that small business?
[Ochoa] I will conscienciously tell you today: I want the audience here, especially the tribunal, to know—and in saying this, I do not want to deny any responsibility—I believe the involvement of a Cuban in drug trafficking is bad whether it is in Cuba or abroad, and more so if the person involved is a member of the Cuban Government, and even more if the person is a member of the Armed Forces.

[Escalona] Ochoa: However, they discussed the possibility of laundering money involving Martinez [words indistinct] investigate, maintain contacts, and so on. We need to investigate and find out what this was all about.
[Ochoa] Actually, since Martinez visited Escobar, we knew Escobar had no need to get involved in money laundering. He said that he wanted an airport, a laboratory, or something else. Martinez can explain these things much better than I can.

[Escalona] Correct, now...
[Ochoa, interrupting] I am only explaining what I think.

[Escalona] Ochoa, did Martinez tell you what was discussed at the meeting in Havana?
[Ochoa] Yes.

[Escalona] Did he tell you about the possibility of a cocaine laboratory in Africa?
[Ochoa] I believe the one who told me about the laboratory.... [changes thought] No, they were the ones who proposed the laboratory.

[Escalona] Who are they?
[Ochoa] The [word indistinct]; the ones who came here. I believe they were the ones who proposed it, because neither Antonio de la Guardia nor I wanted anything to do with the laboratory or entertain the thought of establishing a laboratory.

[Escalona] You did not think about...
[Ochoa, interrupting] Furthermore, that is illogical and impossible—madness.

[Escalona] Did Martinez tell you that even the possibility of obtaining paper to counterfeit money was discussed?
[Ochoa] Yes, he told me that. I heard that, not to counterfeit money but to obtain paper dollars to do that. [sentence as heard]

[Escalona] Ochoa, although that small business with De la Guardia was reportedly going to resolve the country's huge financial problems, had you ever thought that Cuba might be accused of trafficking foreign currency, of drug trafficking, of being the center of this activity in the Caribbean? When you learned Tony de la Guardia was involved in this business that could jeopardize the credibility of the Cuban Revolution, you never considered condemning this activity?
[Ochoa] No, I repeat, I never knew for sure they were involved in drug-trafficking operations.

[Escalona] There was $50,000 handed [words indistinct]?
[Ochoa] Yes.

[Escalona] What were they from?
[Ochoa] Yes, that $50,000.... [changes thought] I asked Tony for it, because I had some money in Panama but could not touch it. I asked him for $100,000 for this company in Panama to deal with other countries.

[Escalona] Why could you not touch the money in Panama?
[Ochoa] Because part of that money belonged to the Nicaraguans and another part to Cuba.

[Escalona] Part belonged to the Nicaraguans and another part belonged to Cuba?
[Ochoa] Yes.

[Escalona] Why had that money not been returned to the Nicaraguans?
[Ochoa] That money had been left there; I cannot recall for how long. Martinez traveled several times to try to undertake the operation [not further identified], but the money remained there. At that time, I was not here for long. I went to Nicaragua and then to Angola. The money was earning interest in a long-term account.

[Escalona] It was earning interest for Martinez?
[Ochoa] No, but Martinez was not going to touch that money and, of course, neither was I. Also, what was I going to do with 200,000 pesos?

[Escalona] The account was not 200,000 pesos, right? I believe it was 115,000 pesos, but the account reached 200,000 pesos?
[Ochoa] Yes, because we made a purchase operation later, which was revealed here, involving a certain amount of money, and the account increased from the revenue we received. Later, I added over $40,000 to that

account from the money I brought from Angola; the idea was not to leave it there but to use it here in the Army. In other words, the money I brought from Angola is totally accounted for, cent by cent.

[Escalona] Ochoa, then it is not true—as Martinez has stated—that you gave orders to place the money in a numbered account and to forget about that account?
[Ochoa] Yes.... [changes thought] No, no. We spoke of forgetting about it when we thought about taking that money and using it for [words indistinct]. That was when I said: Forget about that account.

[Escalona] You meant to forget about using that money, because it is to be used for another purpose?
[Ochoa] Yes, that was the reason for my words.

[Escalona] Then, what was that money to be used for?
[Ochoa] We had already told one of our business comrades in Angola that from the Panama account we had to return $70,000 to Cuba. This amount was approximately the profit made by the operation; the rest of the money did not belong to Cuba. I intended to use the money I sent to Panama for the Army. That I must have already stated [words indistinct].

[Escalona] Ochoa, then that account had money from three different places: Money that belonged to Nicaragua,...
[Ochoa, interrupting] Yes.

[Escalona] ...money from Angola, and...
[Ochoa, interrupting] Yes.

[Escalona] ...and money that resulted from the deposits that you [words indistinct]?
[Ochoa] Yes, that is correct.

[Escalona] The $200,000 that you ordered to be placed in numbered account...
[Ochoa, interrupting] No, no.

[Escalona] [Words indistinct] objective to gain interests?
[Ochoa] No, that was done previously. I really do not know why.

[Escalona] You do not know why the account was numbered or you do not know why you had the account?
[Ochoa] No, I am referring to the amount. The account was numbered to hide its existence from the Panamanians so that they would not know to whom it belonged. That was the reason for placing it in a numbered account.

[Escalona] [Words indistinct] it was going to gain interest?
[Ochoa] Of course, [words indistinct].

[Escalona] What was going to happen to that account at the end, Ochoa?

[Ochoa] Like I just told you, I was going to return to Cuba its portion, return the portion that belonged to the Nicaraguans, and the portion that I sent there [not further identified]. I had already learned the Army's needs and was going to buy a complete system and some electronic equipment...

[Escalona, interrupting] The Angolan money that was placed into that account is the (?profit) made in radio equipment purchases?
[Ochoa] Yes, but I do not know how much that amounted to. I do not remember.

[Escalona] Now, was all the radio equipment delivered to Angola?
[Ochoa] We left 10 sets of equipment here for training the special troops that were going to be sent to Angola.

[Escalona] Ochoa, was this type of negotiation authorized?
[Ochoa] No, it was not authorized.

[Escalona] Was Angola authorized...
[Ochoa, interrupting] The truth is...

[Escalona, continues] ...was [authorization given for] the account, Angola, Nicaragua, the equipment...
[Ochoa, interrupting] The Angolan transaction had been authorized...

[Escalona, continues] ...the equipment that remained to be used by the Army's special troops. Had it been authorized by somebody?
[Ochoa] Yes, of course, I authorized it.

[Escalona] Was that part of your duties as mission commander?
[Ochoa] Yes, I authorized it because it was money we had requested from the Angolan president to buy radios for our troops. The troops that we sent to Angola were the special troops. We left the radios here so .hat we could train the men here and when they went they were already trained.

[Escalona] I ask you again: Was it part of your duty as mission commander? Where you empowered to do this...
[Ochoa, interrupting] I authorized...

[Escalona, continues] ...without authorization from the command in Cuba?
[Ochoa] I did many things without authorization. I believe that in this case it was not illogical to do so.

[Escalona] Ochoa, tell us, what did Martinez propose to Escobar?
[Ochoa] What did Martinez propose to Escobar?

[Escalona] Yes.
[Ochoa] I do not know.

[Escalona] Why did Martinez go to see Escobar then? You authorized him to explore [possibilities].
[Ochoa] I wanted to see what Escobar wanted and what could be done.

[Escalona] What Escobar wanted?
[Ochoa] Yes.

[Escalona] Had Escobar sent a message?
[Ochoa] No, he [Martinez] did not make contact with Escobar's people in Panama, but they had invited him to go there.

[Escalona] What was the result of this exploration?
[Ochoa] I do not think anything came of it.

[Escalona] But, an operation involving the use of a ship did take place?
[Ochoa] Yes.

[Escalona] But it was foiled.
[Ochoa] Yes, but it was an operation that was never going to take place. I believe they proposed the ship deal to see if we were really willing to go through with it or not.

[Escalona] But a proposal was made for a deal using a plane?
[Ochoa] Yes, we did talk about it, but in reality the plane never came.

[Escalona] However, even if this was a small operation, you do admit that you were in on it?
[Ochoa] I have already told you that I admit to all this, but I do not know the details of the operations. When I talk to you here about these events, I do so in a general manner and I tell you what I think about them. You know, it is like war; every person that goes to combat comes back with a different story of what they saw on their front.

[Escalona] Yes, Ochoa, but this is a story where the country has been risked...
[Ochoa, interrupting] No, no, it would not be necessary...

[Escalona, continues] ...and it has a different and more serious connotation, because of what you represented in the Armed Forces, the country, the party, and the government.
[Ochoa] But what I am telling you is that, although I have the basic information and from the beginning I have stated that I am responsible for all these events, I cannot give you details. I cannot do so because I did not participate directly in the operations.

[Escalona] You approved after the events had taken place?
[Ochoa] Yes, some times I approved beforehand and sometimes afterwards.

[Escalona] Ochoa, why did you trust Martinez so much?
[Ochoa] Well, he started to work with me in Ethiopia and then all that time in Nicaragua. He was the one sent from Ethiopia to Angola and then to Panama to buy the radios. He always took care of matters. He is a good technician and I placed a lot of trust in him. He was always in charge of those things, because he is a good technician. I trusted him very much.

[Escalona] Ochoa, as it has been said before, did you think about the consequences of Martinez' arrest in Colombia or the arrest of Martinez...
[Ochoa, interrupting] Yes...

[Escalona continues] ...by the DEA?
[Ochoa] No, no, no. I was just going to say it is not necessary to discuss that, because not only I, but the entire Cuban people, including children and youths, are aware of the consequences of this whole thing. The problem is that one does not always think things over on time.

[Escalona] Without having a captain available to them, the FAR minister and other Cuban leaders have been accused—through lies—of various things. Can you imagine how the situation would be if one has a Cuban captain available for use?
[Ochoa] Prosecutor, even before this whole thing was discovered here, I was always aware of all the outrages we committed; this one was the most serious. I do not have the least doubt about that.

[Escalona] Obviously.
[Ochoa] I do not have the least doubt. In other words, all the other things—please do not think I am playing down those other things—are secondary. In other words, if we [words indistinct] there is evidence that points to us anyway.

[Escalona] Ochoa, let us go back to the investment issue. Your idea was to open a path between Escobar and this other foreigner?
[Ochoa] Yes.

[Escalona] You wanted to open a path to send drugs to the United States?
[Ochoa] Yes.

[Escalona] You were not going to obtain any benefits for your participation in the deal at all?
[Ochoa] No. What benefits would I obtain from that?

[Escalona] In other words, Cuba would not obtain any benefits with those activities?
[Ochoa] Yes, Cuba would obtain all the benefits.

[Escalona] What do you mean all the benefits?
[Ochoa] Yes. He had to invest all that money in Cuba.

[Escalona] To invest it in Cuba?
[Ochoa] Yes. That is the company I was telling you about...

[Escalona, interrupting] Ochoa, are you telling me that a money-laundering operation was going to be carried out in Cuba?
[Ochoa] Yes, but the money was to be invested in buildings.

[Escalona] In buildings?
[Ochoa] Yes.

[Escalona] What do you mean in buildings?
[Ochoa] In tourism. We were going to invest money in tourism activities. That is why we talked with CUBANACAN [expansion unknown; a Cuban enterprise to promote tourism]

[Escalona] Thus, that foreigner obtained all the benefits or all the money from the drug-trafficking activities?
[Ochoa] He had to.

[Escalona] What guarantee did you have that he was going to invest that money in Cuba?
[Ochoa] I trusted him because of the number of years I have known him.

[Escalona] For that reason alone?
[Ochoa] Yes. He could have kept part of...

[Escalona, interrupting] What benefits would Cuba obtain from those activities?
[Ochoa] Who?

[Escalona] Cuba, as a country.
[Ochoa] Cuba would obtain benefits if tourism were developed.

[Escalona] But Ochoa, you know foreign investors have made proposals for investment of clean money here in Cuba. Those investments can be seen in the various hotels we have. Spanish and Austrian investors have invested in Cuba. With the development of tourism, they have brought clean money into Cuba.

You had to think of something. What if in the future, authorities discover a foreigner had been investing drug-trafficking money in Cuba? It would seem as if Cuba lent its territory for money-laundering activities carried out by a foreign drug trafficker.
[Ochoa] Of course.

[Escalona] It would seem as if Cuba allowed that foreign drug trafficker to invest his money in Cuba.
[Ochoa] That is right.

[Escalona] Did you think of that?
[Ochoa] Yes.

[Escalona] What benefits would Cuba obtain then from those activities? Those activities would discredit Cuba.
[Ochoa] No. I am saying that I see all that clearly now.

[Escalona] But you would agree that such a discovery would have discredited Cuba, right?
[Ochoa] Yes, of course.

[Escalona] The truth is that if Cuba can obtain clean money for investment, why did you think we have to launder a drug trafficker's money?
[Ochoa] You are right.

[Escalona] Do you, however, still sustain you had no other interest in these activities but to benefit Cuba?
[Ochoa] No, I had no other interest.

[Escalona] So that was your sole interest, yet you had no guarantees Cuba would obtain the benefits?
[Ochoa] You can be 100 percent sure that was my sole interest.

[Escalona] You are telling me your personal friendship with that person guaranteed he was going to invest the money in Cuba?
[Ochoa] That was our idea. In other words, he would develop tourism in Cuba with drug-trafficking money.

[Escalona] Did you plan to create mixed enterprises or something like that with that money?
[Ochoa] The idea was to create one.

[Escalona] But you did not complete any such arrangement?
[Ochoa] No, because there was still no money.

[Escalona] The money was not in the picture yet?
[Ochoa] We were still exploring the possibilities. He went to Key Largo and to that other key—I cannot remember the name—to assess the possibilities.

[Escalona] What about the guarantees? How could you be sure he would not take the profits [words indistinct]...
[Ochoa, interrupting] No, I trusted him. Who could I trust if I did not trust him...

[Escalona, interrupting] So his sole participation in the deal was enough to trust him?
[Ochoa] There was nobody I could trust besides him.

[Escalona] You could not trust anybody else. Do you realize that for FAR and for the Cuban Interior Ministry this trial unfortunately has historical value? In other words, these experiences and the things we have to face force us to try to find all the possible reasons that could have led you to such a situation.

As you know, a single group of Interior Ministry officers has created such a situation that the government has had to replace the interior minister. That group of officers has created a very difficult situation.

People in the streets wonder how it was possible for a division general, a hero, a member of the Communist Party of Cuba [PCC] Central Committee, and a deputy

of the National Assembly of the People's Government to act with such flippancy. Do you consider you acted with flippancy? What explanation can you give us to justify your actions?
[Ochoa] I must say that under the current circumstances it would be very difficult to say why I acted the way I did. That is the truth. I did not act with flippancy; perhaps I acted irresponsibly. I may have overstepped my authority and rights. I believe that there are things in life that make a man change; a man changes for many reasons. Perhaps the opportunity to operate independently also had a bearing on this.

[Escalona] Excuse me, Ochoa, when I asked whether you had acted with flippancy I was thinking about the fact that you are not only being linked to drug trafficking, the possibilities of deals in Mexico, and involvement with Tony de la Guardia's group, but also to other things. I ask myself, how long has that Nicaraguan money been deposited in the account in Panama?
[Ochoa] I think that account was opened in 1985, but there were others involved...

[Escalona, interrupting] The Nicaraguans know the money is there?
[Ochoa] They know the money is there. Even...

[Escalona, interrupting] But was it your decision to leave it there, or was...
[Ochoa, interrupting] No, no, no. I left the money there for them to pick up. Even after I left Nicaragua, I do not know how long after—Martinez can tell you more about that—I left Nicaragua, Martinez continued to make trips to see if he could help them get the weapons they wanted.

[Escalona] Were there any problems with that?
[Ochoa] I would rather not explain...

[Escalona, interrupting] Ochoa, do you think the Nicaraguans may think we wanted to keep that money? As a matter of fact, we have kept that money.
[Ochoa] No, no, no. The Nicaraguans may think that I wanted to keep the money, but not you.

[Escalona] That Arnaldo Ochoa wanted to keep the money?
[Ochoa] Yes. They could very well think that; that is what many people think.

[Escalona] Ochoa, do you have any idea how much money was left over after the purchase of radios for Angola?
[Ochoa] No. I do not remember.

[Escalona] How did you get those 200,000 pesos?
[Ochoa] The explanation.... [changes thought] according to Martinez, I deposited $46,000; as far as I am concerned, I only deposited $20,000.

[Escalona] Where did those $46,000 that Martinez talked about come from?

[Ochoa] From here, from the money I brought back from Angola.

[Escalona] But that money was for the Army?
[Ochoa] Yes, but where do we shop? We were going to buy what we could here and the rest we were going to buy in Panama.

[Escalona] Where did that money come from?
[Ochoa] The deals we made there. Most of the money was left over there and we brought some of it to buy some things...

[Escalona, interrupting] What was that money going to be used for?
[Ochoa] No. The deal was made with the idea of making about 60 or 70 million kwanzas. However, part of the merchandise...

[Escalona, interrupting] Sixty or seventy million kwanzas for what?
[Ochoa] For the Bengela airport.

[Escalona] How much would that be in dollars?
[Ochoa] No, no, that money was left over there.

[Escalona] But, more or less, how many dollars are we talking about?
[Ochoa] I do not know.

[Escalona] Ochoa, there are some figures here that have caught my attention. Expenses between December 1987 and January 1989 include camp housing expenses for 307,000 pesos, 53,000 pesos for the rear guard of the mission [retaguardia de la mission]; other expenses, 24,000 pesos. However, Casa Uno and headquarters expenses add up to $564,000. Ochoa, is that not a lot of money?
[Ochoa] No, no, that cannot be true, much less if that includes Casa Uno expenses.

[Escalona] Those are expense figures for Casa Uno and headquarters.
[Ochoa] That is not possible.

[Escalona] Could someone else have taken money from there to use for something else?
[Ochoa] I do not know; however, for Casa Uno expenses, that is impossible.

[Escalona] Who handled that money?
[Ochoa] Finance.

[Escalona] Ochoa, these figures were provided by finance.
[Ochoa] Right, finance handled the money. I did not handle money.

[Escalona] And who controlled finance?
[Ochoa] Mmmm, well.

[Escalona] [Words indistinct] De la Guardia?
[Ochoa] Well yes, we handled finance for a long time.

[Escalona] Ochoa, when you were looking for kwanzas to build the airport, you created a number of commercial mechanisms?
[Ochoa] We cannot talk about mechanisms.

[Escalona] You traded sugar, you sold sugar for kwanzas...
[Ochoa, interrupting] Yes, yes. We sold some sugar, some fish; we sold two or three things. They talked about selling other things, but...

[Escalona, interrupting] Is the ivory business true?
[Ochoa] Yes, but the ivory was not a clandestine business. In the Congo you can buy ivory as easily as you can buy a television set.

[Escalona] And you can take it out of the country?
[Ochoa] Yes, you can take it out through the airports or any other way you wish to take it out of the country. People use the airports to fly the ivory to France. It is not a clandestine operation. We simply sent for the ivory, paid for it in CFA francs, and sent it to Tony de la Guardia. He paid for it at the same price, but in dollars, and the money was given to finance.

[Escalona] Where was the money put?
[Ochoa] It was given to finance.

[Escalona] Was it deposited in the account in Panama?
[Ochoa] No, no, no. In Angola. In Angola.

[Escalona] Why did you not deposit the money you sent to Panama in Angola?
[Ochoa] Because the Angolan money sent to Panama was transferred by the bank to the account Panama.

[Escalona] The deals made in Angola were aimed at improving the living conditions of the troops.
[Ochoa] No. The deals were to pay for the airport, not to improve living conditions.

[Escalona] Not to improve living conditions?
[Ochoa] No, no. The living conditions in Angola were improved with other things and we spent...

[Escalona, interrupting] The airport was finished...
[Ochoa continues] ...and we spent a lot of dollars because we bought many air conditioning units. The pilots did not have air conditioners. We bought a lot of things.

[Escalona] How was the airport finished?
[Ochoa] A little less than half the airport had been built when I left. We really did not have the kwanzas for the airport. We did not have enough to meet payments.

[Escalona] However, the things Llicas sold, the sugar and the other things Llicas sold were paid for in kwanzas and the kwanzas were sold on the black market to get dollars.

[Ochoa] No, no. Several million kwanzas were left for the building of the airport.

[Escalona] Then what happened?
[Ochoa] There were things that were sold for dollars.

[Escalona] Ochoa, during the Honor Tribunal proceedings there were two officers who said that the cycle was: sugar-kwanzas-black market-dollars.
[Ochoa] In our case, I am talking about the deals I participated in, it was the other way around. We exchanged dollars for kwanzas. I think that on two occasions we made changes.

[Escalona] Then why did Antonio give you $24,000?
[Ochoa] Because I told him: If you have money left over after you close the books, bring it to me because I will need that money.

[Escalona] Was that mission money?
[Ochoa] Yes, yes, it was mission money. It was money from our sales.

[Escalona] What about the 23,000 [currency not specified] that Llicas brought back?
[Ochoa] From the sales. The 23,000 that Llicas brought back was from the sale of a shipment of television sets sent from Cuba, I think.

[Escalona] Who sent that shipment?
[Ochoa] I think Martinez did.

[Escalona] Martinez sent that shipment?
[Ochoa] Yes. We sent to buy...

[Escalona] What did Martinez buy those television sets with?
[Ochoa] Martinez?

[Escalona] What I meant to ask was what money did Martinez use to buy those television sets?
[Ochoa] Oh...

[Escalona, interrupting] Did he buy them in Cuba or in Panama?
[Ochoa] I do not know where he bought them.

[Escalona] Who owned those television sets?
[Ochoa] He must have bought them with the Panama account.

[Escalona] But there is no money in the Panama account. Is there money in that account?
[Ochoa] I do not know. I do not know if Martinez had money...

[Escalona, interrupting] But where did the television sets come from?
[Ochoa] I do not know. I cannot say because I do not know.

[Escalona] Then why is the money from the sale of those television sets yours?
[Ochoa] It is not my money.

[Escalona] That depends on where the money went, and that money ended up in your hands.
[Ochoa] It is not my money. All the dollars are there. Part of the money is in Panama.

[Escalona] Yes, it is in Panama. But my question is, why was that money given to you?
[Ochoa] I have already explained why.

[Escalona] But you were no longer mission chief.
[Ochoa] That is correct.

[Escalona] Then that money should have been given to the new mission chief.
[Ochoa] Yes, no one has said otherwise.

[Escalona] All this is a matter of irresponsibility, lack of discipline, violations of the [words indistinct].
[Ochoa] Yes. I cannot in all honesty deny that. I would not deny that. What I am trying to do is answer your questions.

[Escalona] You surprise me. I wish I could find some logical reason why you did this. You got an order from the minister...
[Ochoa, interrupting] No, no, no. The minister gave no order. The minister had nothing to do with this. Never in my life had I walked around with dollars, but, as I said, I was irresponsible and said: If there is any money left over, bring it to me because the Army is going to need it. Of all that money, I think I spent some $11,000 or $12,000.

[Escalona] Ochoa, if you were so worried about the economic situation your country was experiencing, why did you not deposit the $200,000 in Cuba?
[Ochoa] Because that $200,000 was not ours. When I got back...

[Escalona, interrupting] Who did that money belong to, Ochoa?
[Ochoa] The $200,000 belongs to the Nicaraguans.

[Escalona] So why has that money not been returned?
[Ochoa] All right, I already told you. I explained that and told you that...

[Escalona, interrupting] Why have you not returned the Angolans' money?
[Ochoa] The Angolans' money was not to be returned.

[Escalona] Then what was it for?
[Ochoa] No...

[Escalona, interrupting] Was that money a commission? Did you participate in the purchase of the C-130?
[Ochoa] No, I did not.

[Escalona] You had nothing to do with that?
[Ochoa] No, I did not. The Angolan president asked me if it were possible to purchase five C-130's, and I think he also asked for one or two batteries of long-range Howitzers, the G-5 kind. I told Patricio about it, and he told Tony.

[Escalona] The business was done through one of Tony's firms?
[Ochoa] No, Tony did not do it, it was done by a guy who was always with them; I believe he is Jewish.

[Escalona] Of course, you do know how that deal ended?
[Ochoa] I have heard about it.

[Escalona] Regardless of what you have heard, it seems to me that we should not have been involved. The end result of this deal is that thanks to the brilliant business transaction made by citizen Tony de la Guardia's firm, the Angolans are demanding we pay them the $5 million they gave to these famous businessmen.
[Ochoa] I cannot give you details of this deal, but I do know the Angolans were the ones who made the business transaction with the Jewish businessman. I am sure of this.

[Escalona] Yes, but it was based on the backing given by the Cubans.
[Ochoa] Possibly so.

[Escalona] The backing was given either by you or by Patricio.
[Ochoa] It was not given by me; I only made the contact. I told the president a businessman was going to visit him and that he should talk to him.

[Escalona] Ochoa, I really feel bewildered.
[Ochoa] What?

[Escalona] I feel bewildered.
[Ochoa] Why?

[Escalona] Because I have known you for many, many years. I have seen you command the Armed Forces' eastern, central, and western armies. I have seen you conduct operations, command exercises, and lead troops. I know of your feats in Ethiopia. I know the things you have done. And I ask myself, is it possible that such a man could turn into a perfectly irresponsible person? Could this be the same man who risked his country's prestige, dignity, and honor with total irresponsibility? Could this be the same man who knew there were people in Cuba linked to drug trafficking and—although he was a general, a hero, a responsible person—did not go to the highest level in government and report that criminals in the country were doing business with drugs? I ask you, are you the same Ochoa who was in Ethiopia?
[Ochoa] Possibly not.

[Escalona] You have risked Cuba four, five, six times?

[Ochoa] Yes.

[Escalona] You also invented a business that was not backed by anything [que no se sostiene], because there was nothing with which to back it, and you opened the road for drug traffickers to launder their money. It was not even our money being laundered; it was not even money from our famous drug traffickers who worked outside Cuba. It was, simply, that you allowed one of your friends to come and launder drug-trafficking money in Cuba just to show your goodwill and because he was your friend. You did this and took the risk that the matter would be discovered and that later it could be said: This drug trafficker invested his money in Cuba. Can a drug trafficker invest in tourism and construction in Cuba without the approval or knowledge of the Cuban Government? Why did you hide this information? You created...[changes thought] You dreamed buildings would be constructed and tourism would be developed. Now I think about those buildings being demolished because of the shame this country has to experience when we are told: The investment that has brought you benefits was invented by Arnaldo Ochoa Sanchez and is the result of drug trafficking.

[Ochoa] That is correct.

[Escalona] But, Ochoa, this is your country.

[Ochoa] Yes, I have never denied this.

[Escalona] You have defended this country thousands of times.

[Ochoa] Yes.

[Escalona] What happened within Arnaldo Ochoa that caused him to give the country away? To give the country to the enemy?

[Ochoa] That is why I am telling you the truth about how things occurred.

[Escalona] I have finished for now, Comrade President.

[Espinosa] Ochoa Sanchez, face the court and answer the questions that will be asked by the defense lawyer.

[Toste] Defendant Ochoa, I will ask some questions, and you will reply to the court. My questions will be regarding the charges made against you and are included in the list of conclusions you and i both have. Throughout the questioning made by the comrade prosecutor attorney you have referred to matters such as business, tourism, and all the transactions you made and said they were abuses, illusions, and that you were responsible for all of them. You also said you were undisciplined and that all the charges made by the prosecution are true. I would like you to tell the court of your analysis of the things that happened in the past. What is your understanding of these events? I do not want you to state only that these were abuses, etc; I want you to tell the court what you have learned from all this?

[Ochoa] I.... [changes thought] The first thing I must say is that I believe that at at one time or another I detracted from the real objectives of the Revolution. I think that is what happened. I have thought about this a lot. I cannot say I have reached a final conclusion yet. However, I realize there were many irresponsible and corrupt activities. For instance, what right did I have to handle any kind of money? I had never handled money like that before; I was never a greedy person, and I had no need for it.

I can also tell you there was a time in my military life when I felt very tired. In other words, objectively speaking, I was not the same man who, as the prosecutor said, once headed and directed combat actions. I even felt like a dull person. Many times in Angola I found myself in very difficult and complex situations. I think that because of that, and because I could act on my own for so many years, I took the wrong path. In other words, to a certain extent, I lost my sense of reality.

It has been implied that I did not do my job, which is not true. I tried hard to comply with my duties, even though I may not have fulfilled all of them. Some people believe I only dedicated myself to do business, which also is not true. I got other people involved in doing business for me, but I was not directly involved.

However, I have reached the same conclusion as you concerning what all this has meant for Cuba. That is why I admitted my responsibility at the Honor Tribunal, because in all fairness, no one could justify what I have done.

I think we could spend a lot of time analyzing this. Even I cannot understand why I did those things. At times, I felt I was immune to a lot of things, but reality showed me I was wrong. When a human being loses credibility, he is no one.

I think I do not have anything to add; the facts are there. Therefore, I would prefer you go by facts. Would you like to ask me another question?

[Toste] I think you should explain these things to the court, because, in making its decision, the court will also take this into consideration, according to the law. I want to ask you: In a few words, do you believe those decisions were in keeping with your previous conduct?

[Ochoa] No, they were not in keeping with my previous conduct at all. I was not myself. There are many comrades here who have known me for years, and they know that I did not act that way. That is the truth.

[Toste] I have one more question, Mr President. You have been critical of yourself in front of the court before. Looking back—naturally, the purpose of all these business and drug-trafficking operations was to make a profit—however, can you tell us what motivated you to do these improper things? What were you looking for?

[Ochoa] As I told the prosecutor, I do not want to give explanations that can be interpreted as justifications. It is not my intention to defend myself before a revolutionary court or to justify myself. If I try to explain these things, it may look as if I am trying to justify myself. Therefore, I would prefer not to answer your question.

[Toste] I was referring to your self-criticism. Do you believe there was a reason, now after making a self-evaluation...
[Ochoa, interrupting] No, look...

[Toste, interrupting] Let me finish the question. What I mean is, did you act out of selfishness, greed, or for any other reason, even though it may have been wrong?
[Ochoa] Even though I said the evidence is against me, those who know me and those who know how I live, know that I have never been selfish or greedy. That is the truth. I may have been irresponsible and a libertine, but those who know me, know how I live.

[Toste] I have another question for him, Mr President. Throughout this entire process, you have made some public statements, which have been published in newspapers. I would like you to tell the members of the tribunal, as the prosecutor said, how you believe your actions have adversely affected our country, for example. Can you clarify anything that may require an explanation?
[Ochoa] You want me to explain how our actions have adversely affected our country?

[Toste] Yes.
[Ochoa] Well, I believe this is something that is quite clear. It has been covered in the press. It has been pointed out that all these actions have serious political implications for Cuba. I said—the prosecutor read this—that while the commander in chief was saying that we were not involved in drug trafficking, we were actually involved in it. We were making a liar out of the commander in chief. What is more serious than that? There cannot be anything else. We were also putting the fatherland at risk. I do not want to repeat what I said at the Honor Tribunal. It was well documented there and is widely known. That remains my position. [Words indistinct] they are different things.

[Toste] Mr President, I am finished for the time being.

[Escalona] Mr President, I have a question.

[Espinosa] Ochoa, answer the prosecutor's question.

[Escalona] Ochoa, a little over 3 years ago, this country was asked to undergo a process of rectification by the commander in chief, which has stirred up a large majority of the population. During all this time, were you away from Cuba?
[Ochoa] I do not know. I have been away from Cuba most of my life.

[Escalona] You do not.... [changes thought] Did you ever get excited about the idea of carrying on the Revolution with different methods?
[Ochoa] Those are difficult things.

[Escalona] You were not excited about these things?
[Ochoa] Why should I not become excited? Those are difficult things to say now. It is not a matter of not taking this into account.

[Escalona] I am saying in the political [words indistinct].
[Ochoa] I can honestly tell you that the fact that I betrayed the land where I was born haunts me.

[Escalona] I understand. Ochoa, I have one last question. In both of your appearances at the Honor Tribunal, you showed us why you were a division general and a hero of our country. Have you been informed of what is being said abroad regarding all the problems we are facing in this trial?
[Ochoa] Actually, I was waiting for you to finish, so I could ask permission of the president to talk about this. I have had the opportunity to see some material that talks about the events here. It talks about this small group of drug traffickers, beginning with me. I have seen the lies that have been broadcast in the United States. To be more exact, I saw some newscasts of Telemundo from the CNN [U.S. Cable News Network].

[Escalona] They said you had taken drugs here at the Tribunal.
[Ochoa] Yes, and, by the way, I saw a very intelligent psychologist, who even pointed out, at a U.S. university, the type of drug I had been given. Yes, I saw it. He is a very intelligent man. Actually, what are they saying there? That there are political problems; that there is a military uprising in Cuba; that there is sedition; that there is a rebellion in the Ministry of the Revolutionary Armed Forces and in the Interior Ministry; that there are internal divisions within the party...

[Escalona, interrupting] You have more military [words indistinct].
[Ochoa] No, no. That gives a little more freedom.

[Escalona] [Words indistinct]
[Ochoa] Right, right. They have also said there is a struggle between the old and new generations, and they said that Castro is purging the country. That is, they are saying so many things that one realizes how far their shamelessness can go. They have set up a huge propaganda mechanism around this case, which is far from being a thank-you message to Cuba. Of course, Cuba does not fight drug trafficking to be thanked by them, but they say just the opposite—that Cuba has always been engaged in drug trafficking and that this is a political problem.

In other words, once again we see how far imperialist slanders and insolence can go. Once again we see how many things are dogs of their imperialist masters,

because there are masters and there are dogs. There are dogs such as fossils Nazario Sargen, Huber Mators, and traitor Del Pino, who bark when they are told to bark and who are capable of inventing things to harm the Cuban Revolution. I would say, however, that such things only demonstrate the greatness and value of the Cuban Revolution.

How can anybody say that I was drugged and then taken before the Military Honor Tribunal? I can tell you all that if shame is a drug, then I was drugged. The truth is that all this has represented great shame for me.

After saying I was drugged, they showed another scene of the hearing, and they showed me with my head held high. That shot instantly revealed their attempt to show a bunch of lies.

I, however, believe those things were necessary. They showed many scenes of the hearings. Since they took over the task of informing the world about this, they should at least broadcast the truth. They should broadcast the truth. They should say that neither in the Cuban Interior Ministry, the Armed Forces, or the PCC... [incomplete sentence as heard]. On the contrary, I would say that our Revolution is increasingly firmer and stronger. The Revolution has consolidated itself over the years. What is happening in this very trial is proof of what I am saying right now. That is the truth. I want to tell them not to be cynical. They are true slanderers.

[Escalona] Ochoa, I only wanted to know whether those internal activities that you have not wanted to discuss or provide an explanation for—either at the Military Honor Tribunal or here—were going on while you were thinking of the possibility of conducting great operations involving millions of pesos and while you had 50,000 men fighting in Angola?

[Ochoa] Yes, and I worked on those activities.

[Escalona] So you led 50,000 men in Angola and at the same time you were involved in those other activities?

[Ochoa] Yes, but I was involved in those activities through other people...

[Escalona, interrupting] You in fact had to dedicate all your time to those activities. If you had unmasked this group of men, who are here right now, you would have spared the country this horrible shame. The Cuban people now feel like saying these individuals here have nothing to do with Cuba. They feel like saying these men have nothing to do either with the Cuban Interior Ministry or with anything that deals with us. In other words, if you had stopped those activities in time, if the hero Ochoa or Gen Ochoa had prevailed, we would not be here right now. That is all, Mr President.

[Espinosa] Do any of the defense lawyers wish to ask the defendant a question?

[Defense Lawyer Major Ramon Aymeriche] I do, Comrade President.

[Espinosa] Ochoa, answer the defense lawyer's question.

[Aymeriche] I will change the subject a little. Ochoa, regarding defendant Rodriguez Estupinan and referring to the time in Angola you talked about before, you said the deals in the black market were basically linked to two objectives, or in fact to one basic goal. You wanted to obtain both foreign exchange and Angolan currency to build an airport in Angola. Is that correct? Is that what you said?

[Ochoa] Yes.

[Aymeriche] I would like you to tell this tribunal whether that is the way you began operations with a number of officers, including Rodriguez Estupinan?

[Ochoa] Yes, yes. That is right in his case. Those 100 tons of sugar were sold with the intention of building an airport. In other words, that was the only goal we pursued with that sale. Let me remind you that there were other deals there that have always gone on in Angola. The Military Honor Tribunal, however, linked one thing with the other. Those deals were something else, and it is not fair to establish a link between them. Those deals were something else. The department of finance was in charge of those deals. That was something different.

In any case, Estupinan was placed in charge of those things after his return from a trip to Cuba. He had gone to Cuba to request 80 million kwanzas from the funds that were in Cuba, but he did not obtain the money. I simply made a decision and told him: Listen, I am not going to look for money somewhere else. Take this and sell it. With the money we will build the airport anyway.

[Aymeriche] Do you know whether your assistant made any profits from the operations conducted during that time? I am referring in this case to Estupinan.

[Ochoa] No, I do not know.

[Aymeriche] Regarding the deals with the kwanzas and the dollars, which Estupinan gave you—tell me, was it the policy that in all cases you were the one who would finally receive everything?

[Ochoa] Yes, oh yes.

[Aymeriche] Nobody else?

[Ochoa] No, no. Well, I do not recall whether he delivered something directly to the Department of Finance. I do not remember. He, however, always reported everything to me. I never knew of him to take any money for himself.

[Aymeriche] I have another question, Mr President.

[Espinosa] Go ahead.

[Aymeriche] In addition to what you have said, do you know whether Estupinan arranged some kind of deal or venture without your knowledge or authorization?
[Ochoa] No, no I do not.

[Aymeriche] According to what I learned, the system was that once that money got into say, in this case, Estupinan's hands, he put it away immediately in one of his drawers.
[Ochoa] Yes.

[Aymeriche] You established an internal control on a notebook of how much money was accumulating.
[Ochoa] Yes, that is right. We had some of it changed for kwanzas, I think once or twice. He must remember.

[Espinosa] Another question, please.

[Aymeriche] Regarding the acquisition of ivory tusks, did Estupinan participate directly in this operation. What was his role?
[Ochoa] No, no. That was carried out by Colonel (Theo Detrutis) on my instructions.

[Aymeriche] Did he, in this case Estupinan, receive the money?
[Ochoa] No, the money for the tusks was given to me through Patricio.

[Aymeriche] Did he know about this operation that you were carrying out through other means?
[Ochoa] I cannot answer. If I say yes or no, I would be lying.

[Aymeriche] That is all that I have for the moment, Comrade President.

[Major Aramis Villalon] Now a question for the accused: Defendant Arnaldo Ochoa, according to your testimony, there were some transactions that, according to the conclusions contained here, were carried out with the accused Antonio de la Guardia. My specific question is: How did you coordinate the sales or the receipt of the previous stones, in this case, the diamonds?
[Ochoa] Well, there had been...

[Aramis, interrupting] Wait a minute, let me finish. How much did he give you for the diamonds? How much were they worth? And how were they acquired?
[Ochoa] No, in fact, I never saw the diamonds. I do not know how many there were, and he did not pay anything for them. We did it out on the street. We traded some bags of sugar for some diamond rocks. I do not know how many there were, but I do recall that I personally turned them over in a small box to Patricio to send them.

[Aramis] It was never given to him directly?
[Ochoa] To whom?

[Aramis] To the accused, Tony de la Guardia.
[Ochoa] No, never.

[Aramis] Did the diamonds ever return to your hands, since they were not sold?
[Ochoa] No, no. I do not know what became of them. I simply gave them to Patricio and Patricio sent them to him.

[Aramis] I asked you that question because the accused said that that sale of diamonds could not be affected, because they were false diamonds and had been returned to you again.
[Ochoa] That is possible, but they did not return to my hands.

[Aramis] There was no transaction, they were not paid for?
[Ochoa] I do not think so. That is what I was told.

[Aramis] That is all, Comrade President.

[Espinosa] Does any other member of the defense wish to speak?

[Major Julio A. Gonzalez] Yes.

[Espinosa] Comrade Ochoa, please answer the question that defense lawyer Gonzalez is going to ask you.

[Gonzalez] Ochoa Sanchez, I want you to clarify something about the participation of the accused, Patricio de la Guardia, specifically in the diamond trade. The prosecutor's charges pertaining to you and Patricio de la Guardia state: Through the purchase of or barter for other products—always for personal use—and the use of resources destined for more noble purposes for lowly purposes, they directly obtained dozens of diamonds and other precious stones, which Antonio de la Guardia later converted into dollars. To do this he used his team of workers and took advantage of possibilities as they arose. Regarding the accused, Patricio de la Guardia, I would like you to tell me—by that I mean the tribunal—to the best of your knowledge, what was the participation of Patricio? What is your knowledge of this?
[Ochoa] First of all, I do not know where the hundreds of diamonds came from.

[Gonzalez] Dozens of diamonds.
[Ochoa] Yes, I took some stones in a small box to Patricio. There may have been six or eight, but they were not diamonds. They were small. One learns from all of these activities. I also learned about diamonds. A diamond is worth something when it is the size of a chick-pea or larger. Otherwise, it is not worth much. If they are too small, then they are sold for next to nothing; they are not worth much. I think that is what happened to Tony. What is obtained on the market there is worth almost nothing. In other words, diamonds are worth something when they are big enough to be used for jewelry. A diamond that is a little over the size of a chick-pea is worth $70,000 to $80,000, but it has to be polished. That is what happened [words indistinct].

[Gonzalez] Look, regarding the participation of Patricio de la Guardia...
[Ochoa, interrupting] I do not believe that I answered your question. I gave Patricio some of those little diamonds in a small box at his house one day, that is all, and I think that he sent them to Tony.

[Gonzalez] That is what you believe?
[Ochoa] That is what I believe.

[Espinosa] The accused, Ochoa, please answer the question.

[Escalona] Regarding this problem of the precious stones, Ochoa, your aide Martinez said that you gave him 136 stones and that he took them to Panama and sold them. Is that true?

[Ochoa] Yes.

[Escalona] He also said he took the precious stones to Panama, where he sold them.
[Ochoa] Yes.

[Escalona] Is that so?
[Ochoa] Yes. Those were very small precious stones. That was done as the result of the contacts that were made. Martinez gave the money to me. The money is included in the money that [words indistinct].

[Escalona] Is it?
[Ochoa] Yes.

[Escalona] Martinez gave the money to you?
[Ochoa] Yes.

[Escalona] Therefore, did you sell some of those very small precious stones?
[Ochoa] Right.

[Escalona] Were the precious stones sold in Panama?
[Ochoa] Yes [words indistinct].

[Escalona] Ochoa, there is one question that has been in my mind for a long time. Through my work requirements, I have participated in various UN-sponsored events dealing with the struggle against drug trafficking. We have had the opportunity to see the consequences of drug consumption, particularly among young people and especially by children. We have seen the harm this scourge causes to mankind. As a revolutionary, as a general, and as a hero—before the mechanism that allowed you to be in that position was discovered—did you not feel repugnance for the consequences of your actions? Am I making myself clear? Did you imagine that opening a path for drugs meant the death and degradation of hundreds or thousands of citizens, youths, and children—and even the death and degradation of the United States and its people? Did you think you could someday feel as happy as Pablo Escobar, knowing you are killing a significant portion of mankind just to get rich and to be able to build hotels in Cuba? Do you think this Revolution deserves the unworthy action of developing its tourism from money stained by drugs and by the blood and degradation of who knows how many hundreds of citizens throughout the world? Did you ever think about this?
[Ochoa] Prosecutor, when one goes the wrong way, one is content with many things.

[Escalona] Do you think our Revolution could live from [words indistinct]?
[Ochoa] No.

[Escalona] Do you think our Revolution could live subsidized by drug trafficking?
[Ochoa] Why did I tell the Honor Tribunal that I was more of a revolutionary now than 20 days ago? Because many things have become clear now. [Words indistinct]...

[Escalona, interrupting] It is inconceivable that this Revolution, which you helped to build, [words indistinct]...
[Ochoa, interrupting] I may be hated, but it is still my revolution.

[Escalona] Fine. This Revolution you helped to build would have become a cancer spreading venom, cocaine, marijuana, and God knows what else in the world. Do you think we.... [changes thought] From that moment on, it would have been better if Cuba were to disappear from the face of the earth, if this country was going to live from the business deals conducted by these men.
[Ochoa] The fact of the matter is all these mechanisms do exist.

[Escalona] But at what price, Ochoa? At what cost? At the cost of the people's health, of the world's health? How many millions and millions of pesos are spent throughout the world in the struggle against drug trafficking? Ochoa, what does drug trafficking represent for the world? If it was a business of.... [changes thought] Maybe we could forgive the searching for diamonds, or even the Congo ivory business, but drugs, Ochoa?
[Ochoa] Yes, of course.

[Escalona] Cocaine, Ochoa, which poisons entire nations. We, who are international volunteers, who send our people to voluntarily die in defending other peoples, are we going to become international drug traffickers and spread the venom of drugs? Why are we defending peoples? To kill them later on with drugs? This is all, Mr President.

[Espinoza Martin] Ochoa, to clarify and to explain matters about which the tribunal still does not have a very clear idea, we would like to ask you some questions. We have learned during the investigation about money you have in a Panamanian account under Martinez' name. We understand that on one occasion, you ordered a transfer of funds to Cuba into an account in the

foreigner's [not further identified] name. How can you justify depositing the money there for purchasing the equipment and materials needed by the Western Army, which, as I understood, you admitted during your recent remarks? How can you explain such actions?
[Ochoa] Mr President, there is confusion about this. The money was brought here. Then, given the possibility that this foreigner could be killed, it was also possible that the money could be lost. Therefore, the money had to be sent back there [Panama]. However, the money I told you about for the equipment that we were going to bring here, for the equipment I planned to purchase for the Army, is not the same money; that money came from Angola and was also sent to the account in Panama. Do you understand?

[Espinoza Martin] Let me clarify the question. I understood that the money you had sent from Angola with Martinez was placed into the account in Panama, an amount that reached $200,000, and that you then ordered that the account be closed.
[Ochoa] Not exactly. We sent the money there always with the thought in mind that this money was part of the funds we needed for equipment purchases.

[Espinoza Martin] The tribunal finds that you have still not clarified part of the question; we want you to clarify this. Concerning the transfer of funds to Cuba to an account under the foreigner's name, if you were planning on buying equipment for the Western Army, and, if later on, you were planning to use that money for the reasons you just mentioned [words indistinct]. Perhaps the foreigner could have kept the money for himself. You transferred the money back to Panama to an account in Martinez' name?
[Ochoa] Concerning the transfer of this account, what happened was that the money in that account belonged to the Nicaraguans and there was other money left over from it. This matter can be cleared up by Martinez more than by me; he was the one who managed the account. I do not even remember why we transferred it here. The fact is, this foreigner has an account here [not further identified] and the merchandise that we bought here in Cuba was paid for out of his account, later we would pay him. We did so in order not to carry the money with us.

[Escalona] Ochoa, answer the question...
[Ochoa, interrupting] Yes, it was only to [words indistinct]...

[Escalona continues]...concerning Defendant Martinez. Was he your subordinate?
[Ochoa] Yes.

[Escalona] How was his military conduct before all these events took place?
[Ochoa] I really had a great deal of trust in him and I believe he trusted me, too. Martinez was always a man who kept his commitments and was very responsible. His conduct was excellent.

[Escalona] [Words indistinct]

[Espinosa] Ochoa, do you have anything else you want to add? Do you want to make any additional statement to the court?
[Ochoa] Yes, taking the opportunity the court is giving me, I want to make reference to events that took place during the Honor Tribunal. I was the only defendant to be present at the Honor Tribunal. Many of the defendants present here today and witnesses who are not here made statements. I want to say to this court that many of them tried to evade responsibility and that I believe they did not speak clearly and that others lied. This includes certain witnesses, who I believe are not in this courtroom right now, but who exaggerated their statements. Basically, they did so to evade responsibility.

[Espinosa] Ochoa Sanchez, you may withdraw.
[Ochoa] Of course.

[Espinosa] Defendent Jorge Martinez Valdez, come forward and face the court.

[Espinosa] Defendent, the law gives you the right to make statements. Do you want to do so?

[Martinez Valdez] Yes.

[Espinosa] Always face the court and answer the questions that will be made by the prosecutor?

[Escalona] Defendent Martinez, when did you meet Arnaldo Ochoa?
[Martinez Valdez] I met Ochoa in Ethiopia in 1977.

[Escalona] What were you doing in Ethiopia?
[Martinez Valdez] I started working with him as his personal spokesman.

[Escalona] Were you sent to Ethiopia in active service or as an officer...

[Martinez Valdez, interrupting] I went as a reserve officer.

[Escalona] Did you return to Cuba once you ended your mission?
[Martinez Valdez] Yes, I did.

[Escalona] Where did you meet with Ochoa again?
[Martinez Valdez] After the first mission ended, Ochoa told me that he was staying [corrects himself] that he had been reassigned for an additional year and asked me to return with him for that period.

[Escalona] To Ethiopia?
[Martinez Valdez] That is correct.

[Escalona] And you went to Ethiopia?
[Martinez Valdez] I did.

[Escalona] When did you start to develop your clever economic and financial abilities? In Ethiopia?
[Martinez Valdez] No.

[Escalona] In Nicaragua?
[Martinez Valdez] Yes.

[Escalona] What turned you into a financial whiz?
[Martinez Valdez] I do not regard myself as a financial whiz. I believe that I am a man who was given tasks, who was obliged to take measures, and I carried them out.

[Escalona] Martinez, you went to Panama with money that belonged to the Sandinist People's Army [EPS]?
[Martinez Valdez] That is correct.

[Escalona] Did you buy weapons?
[Martinez Valdez] No.

[Escalona] How much money was left over?
[Martinez Valdez] The Nicaraguans handed over $120,900 for the weapons purchase. Initially, the weapons were to be paid...

[Escalona, interrupting] No, I mean how much money was left over?
[Martinez Valdez] I am trying to explain...

[Escalona, interrupting] I do not want an explanation. I want you to answer my question.

[Espinosa] Defendant Martinez, you may respond only to the question asked of you by the prosecutor.

[Escalona] How much money was left over?
[Martinez Valdez] There were $115,000 left over.

[Escalona] What did you do with that money?
[Martinez Valdez] I deposited it in a bank.

[Escalona] On whose orders?
[Martinez Valdez] On Gen Ochoa's orders.

[Escalona] What explanation did Ochoa give you?
[Martinez Valdez] That the Nicaraguans had not given us an account number to which to return the money. Ochoa said to deposit the money because the Panamanian citzen who was going to purchase the weapons for us still owed $45,000.

[Escalona] I do not understand you. Despite your acumen as a financier, I do not understand. Ochoa ordered you to deposit the $120,000 in Panama's Bilbao Viscaya Bank? Why did he do that? [Words indistinct] your response.

[Martinez Valdez] Because the Panamanian still had to return the $45,000.

[Escalona] Why did he have to return $45,000?

[Martinez Valdez] Because we had given him $120,000, and he only returned $75,000.

[Escalona] Because [words indistinct]?
[Martinez Valdez] Because the weapons shipment became a complex matter.

[Escalona] When did the Panamanian return the $45,000?
[Martinez Valdez] That amount was never returned.

[Escalona] What did you have to do to get the Panamanian to pay you back?
[Martinez Valdez] We tried to get him to pay back...

[Escalona, interrupting] In what year did this happen?
[Martinez Valdez] In mid-1987.

[Escalona] You have not been able to get him to pay you back in years?
[Martinez Valdez] No.

[Escalona] You do not appear to be such a clever financier. Is the account still at the Viscaya Bank?
[Martinez Valdez] Yes, it is still at the Viscaya Bank.

[Escalona] What other deposits did you make to this account?
[Martinez Valdez] The commission resulting from the purchase of radios for Angola was also deposited into this account.

[Escalona] Who received this commission?
[Martinez Valdez] The commission resulted from the sales transaction.

[Escalona] The Cuban military mission charged the Angolans a commission for purchasing communication equipment for them?
[Martinez Valdez] No, the mission did not charge a commission.

[Escalona] Where did the commission come from?
[Martinez Valdez] The commission came from.... [changes thought] The 100 radios initially cost a total of $595,000, and, as a result of a direct transaction with the factory, the radios ended up costing a total of $4...

[Escalona, interrupting] Who gave you the commission then?
[Martinez Valdez] Ochoa took the commission [corrects himself] Ochoa decided to take the commission.

[Escalona] How much was the commission?
[Martinez Valdez] Approximately $50,000.

[Escalona] What did you do with the $50,000?
[Martinez Valdez] It was kept in the bank.

[Escalona] $50,000?
[Martinez Valdez] Approximately $50,000.

[Escalona] What bank account did you deposit it into?
[Martinez Valdez] In Panama, in the Bilbao Bank in Panama.

[Escalona] So now you have $50,000 and $145,000...
[Martinez Valdez, interrupting] No, $50,000 and $115,000.

[Escalona] And $115,000, which totals $160,000 [figures as heard].
[Martinez Valdez] Yes, $160,000.

[Escalona] Very well. What was the account for?
[Martinez Valdez] We opened the account, because, as I said a while ago, the Nicaraguans never opened an account in which to deposit the money for a number of items that we purchased for them, for which we always paid in cash. So in order not to have that cash on hand...

[Escalona, interrupting] Wait a second, I do not understand. Please just answer my question.

[Martinez Valdez] Yes.

[Escalona] I become confused when you give me the whole story at once. My question is: What was the account for?
[Martinez Valdez] Its purpose was to keep the money in a safe place.

[Escalona] Whose money?
[Martinez Valdez] The Nicaraguans' money.

[Escalona] Did you serve as a financial go-between for the EPS?
[Martinez Valdez] No.

[Escalona] Then why did you keep the money?
[Martinez Valdez] Because I received the money from the Sandinists' financial chief.

[Escalona] Why did you keep it?
[Martinez Valdez] Because I still had to collect $45,000 owed by the Panamanian.

[Escalona] Why have you not returned it yet?
[Martinez Valdez] Because we consulted Ochoa, who initially told us that the Nicaraguans had not given us...

[Escalona, interrupting] Was the account not opened in your name?
[Martinez Valdez] Yes, in my name.

[Escalona] What about the Angolans?
[Martinez Valdez] No, the Angolans do not have an account there.

[Escalona] Martinez, what is your profession?
[Martinez Valdez] I am a communications technician.

[Escalona] Communications technician. What business do you have dealing with finances?
[Martinez Valdez] Nothing.

[Escalona] Nothing. After Ochoa ended his mission in Nicaragua, he went to Cuba?
[Martinez Valdez] Yes.

[Escalona] How long did he stay in Cuba?
[Martinez Valdez] I stayed in Cuba...

[Escalona, interrupting] No, I mean Ochoa. How long did he stay in Cuba? Were you with him?
[Martinez Valdez] Yes, we arrived within a week of each other, in February 1986.

[Escalona] You arrived within a week of each other. You arrived in February 1986?
[Martinez Valdez] Yes.

[Escalona] How long did you stay in Cuba?
[Martinez Valdez] We stayed until November 1988; pardon me, until November 1987.

[Escalona] From February 1986 to November 1987. That is approximately 2 years.

[Martinez Valdez] Yes.

[Escalona] What did Ochoa and you say about the account during those 2 years?

[Martinez Valdez] Can I explain myself?
[Escalona] Briefly.

[Martinez Valdez] Briefly, at first we agreed that the account could not be transferred to the Nicaraguans, because, as I said, they never gave us an account number. Each time I received money it was paid in cash.

[Escalona] Wait, wait a second. The Nicaraguans did not give you an account number and therefore you did not have a place in which to deposit the money for the Nicaraguans. However, since it was such a large sum of money, would it not have been better to take the money by plane to Nicaragua?
[Martinez Valdez] Yes, but since we still had to collect more money, we consulted Ochoa, who told us...

[Escalona, interrupting] If you did not have all the money, Martinez, would it not have been more honest to turn over what you had on hand rather than keeping the whole amount?
[Martinez Valdez] Yes, of course.

[Escalona] You kept the money.

[Martinez Valdez] Of course.

[Escalona] Perfect! How did the Angolans' money get into that account?

[Martinez Valdez] After the deal involving the radios at the end of 1988—in November 1988.

[Escalona] In November 1988. How much money did the Angolans send?
[Martinez Valdez] The Angolans transferred $508,285.

[Escalona] When?
[Martinez Valdez] Approximately in January 1988.

[Escalona] In January 1988. Did you travel to Panama?
[Martinez Valdez] Yes.

[Escalona] You bought the equipment?
[Martinez Valdez] Yes.

[Escalona] How much did the equipment cost?
[Martinez Valdez] A little over $435,000.

[Escalona] How much was left?
[Martinez Valdez] The difference was approximately 35 or 15...

[Escalona, interrupting] You do not know? Did you not deposit the difference in the bank?
[Martinez Valdez] No, because we paid a commission to the foreigner who made the transaction.

[Escalona] A commission. How much did you deposit in the bank?
[Martinez Valdez] Approximately $50,000.

[Escalona] Why did you deposit it in the bank?
[Martinez Valdez] Because I was following Ochoa's orders.

[Escalona] So you set up an international fund?
[Martinez Valdez] Yes.

[Escalona] A Nicaraguan-Angolan fund? Did the Angolans ever ask you to return that money, the difference?
[Martinez Valdez] No.

[Escalona] Why?
[Martinez Valdez] I do not know.

[Escalona] Did they know about that surplus money?
[Martinez Valdez] I do not know. We...

[Escalona, interrupting] So by then your account totaled how much?
[Martinez Valdez] Approximately $160,000.

[Escalona] $160,000. When did your account begin to increase again?
[Martinez Valdez] That account began to increase again when Ochoa gave me $40,000 here in Cuba.

[Escalona] Here in Cuba?
[Martinez Valdez] Here in Cuba.

[Escalona] After the mission was accomplished?
[Martinez Valdez] After the mission was accomplished.

[Escalona] Where did the $40,000 come from?
[Martinez Valdez] I believe that it came from the Angolan business.

[Escalona] From the Angolan business. Were the Angolan business profits not earmarked to increase mission funds?
[Martinez Valdez] No.

[Escalona] Yes or no?
[Martinez Valdez] I do not know, Comrade Prosecutor.

[Escalona] Were you not Ochoa's field assistant?
[Martinez Valdez] No, I worked.... [changes thought] His field assistant was Colonel [name indistinct].

[Escalona] What was your job?
[Martinez Valdez] I was in charge of receiving the money and depositing it in Panama.

[Escalona] That was all?

[Martinez Valdez] That was all.

[Escalona] Your mission in Angola consisted of that?
[Martinez Valdez] Yes. I was involved in the drug trafficking business during the entire time that I was in Angola.

[Escalona] How long.... [changes thought]. Did you receive a medal for fulfilling an international mission in Angola?
[Martinez Valdez] Yes.

[Escalona] During the final stage?
[Martinez Valdez] Yes.

[Escalona] How long were you actually in Angola?
[Martinez Valdez] Not quite 2 months.

[Escalona] Not quite...

[Martinez Valdez, interrupting] Not quite 2 months.

[Escalona] Who brought you the medal?
[Martinez Valdez] Antonio brought it to me; Antonio Rodriguez Estupinan.

[Escalona] Ah, Antonio, the colonel. Do you believe that therefore you have fulfilled an international mission?
[Martinez Valdez] No.

[Escalona] Did you return the medal?
[Martinez Valdez] No.

[Escalona] I wonder, what about the 300,000, the more than 300,000 Cubans who have honorably fulfilled an international mission? Are you equal to them?

[Martinez Valdez] No.

[Escalona] Did you fulfill your duty to fight in Ethiopia?
[Martinez Valdez] Yes, I fought.

[Escalona] What happened in Angola?
[Martinez Valdez] Ochoa sent me, sent me, sent me [repeats himself] to fulfill other missions.

[Escalona] Martinez, I have a question to ask you. Is the Ochoa with whom you worked in Angola the same Ochoa you saw in Ethiopia?
[Martinez Valdez] No.

[Escalona] Why?
[Martinez Valdez] He had changed significantly.

[Escalona] In what sense?
[Martinez Valdez] He had changed the way.... [changes thought] We noticed some arrogance and a lack of political and ideological maturity.

[Escalona] Do you think that he was deteriorating?
[Martinez Valdez] He was changing.

[Escalona] Was he deteriorating in a political sense?
[Martinez Valdez] Yes.

[Escalona] Fine. Martinez, you came.... [changes thought] Do you wish to tell us who Jaime Tejada is?
[Martinez Valdez] Of course.

[Escalona] Who is he?
[Martinez Valdez] He is a Panamanian who was arranging the weapons purchase for us, and, on other occasions, he bought military equipment for us.

[Escalona] Did he introduce you to Frank Morfa?
[Martinez Valdez] He did not introduce Morfa to me; he talked to me about Frank Morfa.

[Escalona] What did he tell you about Frank Morfa?
[Martinez Valdez] He told me that Frank Morfa was a U.S. citizen of Italian origin who acquired military equipment upon our request.

[Escalona] Did you hold meetings with him?
[Martinez Valdez] I held meetings with Jaime Tejada.

[Escalona] Did you hold meetings with Frank Morfa?
[Martinez Valdez] Never.

[Escalona] How did the idea of money laundering came about?
[Martinez Valdez] During the most recent weapons deal, Jaime Tejada told us that Morfa was a very rich and influential man in the United States. He also said that Morfa had acquired some money through exaggerating the number of invoices, and he had no way of justifying this. Therefore, he wanted to invest the money into the purchase of equipment, and he proposed to buy some in Nicaragua and some in Cuba.

[Escalona] Martinez, tell me, why did Jaime Tejada bring this topic up with you?

[Martinez Valdez] Why?

[Escalona] Why did Jaime Tejada propose this to you?
[Martinez Valdez] He raised this topic in my presence...

[Escalona, interrupting] Did you present yourself as a drug trafficker or a money launderer? Why did he bring this up with you?
[Martinez Valdez] He discussed this with me because of relations that had been established since 1984.

[Escalona] These relations involved the purchase of weapons, right?
[Martinez Valdez] Yes, we also had obtained some equipment illegally—in other words, some types of military equipment that are not available through the usual means. Thus, already...

[Escalona, interrupting] Like what?
[Martinez Valdez] Some equipment, some night-vision goggles.

[Escalona] What does that have to do with drug trafficking and money laundering?
[Martinez Valdez] No, the question that you asked is why Jaime Tejada had approached me with this. My answer is that Jaime Tejada regarded me as a person who was involved in the illegal purchase of military equipment.

[Escalona] But this equipment had nothing to do with drug trafficking?
[Martinez Valdez] It has nothing to do with drug trafficking.

[Escalona] So why did he bring this up with you?
[Martinez Valdez] Because the money laundering, as he saw it.... [changes thought] I repeat that there was some money that Morfa obtained through padding invoices and that he needed to get rid of.

[Escalona] Did you give Jaime Tejada an answer?
[Martinez Valdez] No.

[Escalona] What did you do?
[Martinez Valdez] I consulted Ochoa.

[Escalona] What did Ochoa tell you to do?
[Martinez Valdez] To maintain the contact.

[Escalona] To maintain the contact for what purpose?
[Martinez Valdez] Apparently so that he could consult with someone.

[Escalona] To consult with whom?
[Martinez Valdez] I do not know.

[Escalona] Ciro Moscoso?

[Martinez Valdez] Ciro Moscoso?
[Escalona] Yes.

[Martinez Valdez] He is a Panamanian.

[Escalona] Who is he? What does he do?
[Martinez Valdez] He is a Panamanian who was working in customs at the airport in Panama and lost his job. We established good relations with him.

[Escalona] Why?
[Martinez Valdez] We knew him because he worked with a group of Cubans in Panama. He told me that he knew someone who might be able to help me.

[Escalona] Who might be able to help you. And he introduced you to Fabio Pareja?
[Martinez Valdez] He introduced me to the Colombian Fabio Pareja.

[Escalona] What did the Colombian tell you? That he would help you?
[Martinez Valdez] The Colombian said yes, that he could help.

[Escalona] That he could help you?
[Martinez Valdez] Yes.

[Escalona] In the transfer of weapons?
[Martinez Valdez] Yes.

[Escalona] And when was drug trafficking brought up?
[Martinez Valdez] We discussed drug trafficking afterward. During these meetings...

[Escalona, interrupting] What do you mean by afterward?
[Martinez Valdez] When I went to a meeting in Havana.

[Escalona] To a meeting in Havana? With whom did you meet?
[Martinez Valdez] With Tony de la Guardia. Ochoa sent me to that meeting in April 1988.

[Escalona] In April?
[Martinez Valdez] 1988.

[Escalona] 1988. Who participated in that meeting?
[Martinez Valdez] The people who initially participated in that meeting.... [changes thought] I had arrived from Angola and went to Tony de la Guardia's house.

[Escalona] Who participated in that meeting?

[Martinez Valdez] In the meeting?
[Escalona] Yes.

[Martinez Valdez] The first meeting was attended by four Colombians and three Cubans.

[Escalona] What decisions were reached at that meeting?
[Martinez Valdez] During that meeting the topics of dollars and establishing a cocaine processing plant in Cuba were discussed.

[Escalona] A cocaine processing plant?
[Martinez Valdez] In Cuba.

[Escalona] Who raised the subject?
[Martinez Valdez] The Colombians.

[Escalona] They raised the possibility...
[Martinez Valdez, interrupting] They came to persuade us that this idea...

[Escalona continues] ...of building a factory in Cuba.

[Martinez Valdez] They came to persuade us to do that.

[Escalona] To whom did they propose the idea?
[Martinez Valdez] To Amado Padron.

[Escalona] To Amado Padron. What did you contribute to that meeting?

[Martinez Valdez] What did you say?

[Escalona] What did you do there?
[Martinez Valdez] As I have already said, Ochoa sent me to see Tony de la Guardia because Tony had been invited to a meeting and to visit [Colombian drug trafficker] Pablo Escobar's farm in Colombia. Tony was not going to be able to accept the invitation because of his rank and position. Ochoa, therefore, sent me in Tony's place.

[Escalona] That is the beginning of your links with the drug trafficking world?
[Martinez Valdez] That is correct.

[Escalona] You did so consciously?
[Martinez Valdez] That is correct.

[Escalona] You did so on orders from your chief?
[Martinez Valdez] That is correct.

[Escalona] The defendant Arnaldo Ochoa?
[Martinez Valdez] That is correct.

[Escalona] Moreover, you did so to create a cocaine laboratory or processing plant in Cuba?
[Martinez Valdez] No. That topic was raised...

[Escalona, interrupting] They [the Colombians] proposed that idea. What else did they propose?

[Martinez Valdez] They proposed the processing plant. They also made a proposal regarding a very modern machine with which they could print very good counterfeit U.S. dollars.

[Escalona] What else did they propose?
[Martinez Valdez] They suggested sending a boat...

[Escalona, interrupting] What did you say? What did you say at that meeting?

[Martinez Valdez] What?

[Escalona] You were Ochoa's representative at the meeting?
[Martinez Valdez] Yes.

[Escalona] What did you say at the meeting?
[Martinez Valdez] At this meeting I.... [changes thought] Amado Padron headed this meeting, and I was consulted there about the cocaine factory, if it could.... [changes thought] Padron responded that this could not be done in Cuba, that this was unthinkable, that it had to be done elsewhere. He turned to me and asked if something could be done at my boss' place.

[Escalona] Your boss' place? What did you tell him?
[Martinez Valdez] That I was going to consult with some people.

[Escalona] Did you?
[Martinez Valdez] No. I said...

[Escalona, interrupting] What month was that?
[Martinez Valdez] This was in April 1988.

[Escalona] All right. Did you already have a Colombian passport at that time?
[Martinez Valdez] Yes.

[Escalona] Who gave it to you?
[Martinez Valdez] Fabel Pareja.

[Escalona] Had Ochoa instructed you to get a Colombian passport?
[Martinez Valdez] They [not further identified] suggested it to me; I consulted Ochoa and he said yes.

[Escalona] How did you consult Ochoa if Ochoa was in...

[Martinez Valdez, interrupting] Because that was in 1987, and Ochoa had not yet left for...

[Escalona, interrupting] Yes, he had not yet left for Angola. You came to Havana and consulted him?
[Martinez Valdez] Yes.

[Escalona] And did he say yes?
[Martinez Valdez] Yes.

[Escalona] [He said] that you should get the Colombian passport? Then it was at that meeting that the decision on the boat was made?
[Martinez Valdez] Yes.

[Escalona] What boat was that?
[Martinez Valdez] The "Jennifer."

[Escalona] The "Jennifer," but the trip was not made.

[Martinez Valdez] The trip was not made.

[Escalona] Did you make a commitment at that meeting to obtain the paper for the counterfeit money?
[Martinez Valdez] At that meeting I made the commitment to relay to Ochoa, that is, I asked Padron to ask Ochoa if he could make the arrangements for the money over there.

[Escalona] What do you mean by over there?
[Martinez Valdez] Where [word indistinct] ah, ah, in, in Angola.

[Escalona] Angola. Did you have Angolan paper currency?
[Martinez Valdez] No.

[Escalona] Did you realize that?
[Martinez Valdez] No, but Ochoa told me from the beginning that it was impossible, that that could not be obtained. There was no further talk about that.

[Escalona] There was no further talk about that? What did Amado Padron say at that meeting?
[Martinez Valdez] Amado Padron headed the meeting and told the Colombian drug traffickers—the four Colombians— that the matter of the cocaine laboratory was impossible and that consultations would have to be made about the money. The possibility of laundering money was discussed and there was talk about the boat...

[Escalona, interrupting] Who talked about laundering? Did you agree to money laundering in Cuba?
[Martinez Valdez] No, no.

[Escalona] So it definitely boiled down to the boat?
[Martinez Valdez] No. It boiled down to the boat and money laundering.

[Escalona] What money laundering?
[Martinez Valdez] There was a second meeting the next day.

[Escalona] A second meeting with the same people?
[Martinez Valdez] And a third one.

[Escalona] With the same people?
[Martinez Valdez] Not with the same people. The second meeting was held with two Mexicans and two U.S. citizens.

[Escalona] Who took you to see those people?
[Martinez Valdez] Amado Padron. The meeting took place at the Hemingway Marina, in one of the houses belonging to...

[Escalona, interrupting] Were they drug traffickers?
[Martinez Valdez] I do not know if they were drug traffickers.

[Escalona] What were they then? They were there to talk to you about drug trafficking.

[Martinez Valdez] What?
[Escalona] They were there to talk to you about drug trafficking.

[Martinez Valdez] No, we discussed money laundering.

[Escalona] Who was to launder the money, Padron or you?
[Martinez Valdez] The money-laundering idea was raised by a Mexican who suggested working with some Colombians to carry out a money laundering operation in the United States.

[Escalona] What did you Cubans have to do with that?
[Martinez Valdez] Amado Padron was the man involved.
[Escalona] Amado Padron, very well. Tell me something, Martinez, did you travel to Colombia after that?
[Martinez Valdez] Yes. After those three meetings, I went there. Ochoa was already at the [word indistinct].

[Escalona] How did you inform Ochoa that you were going to Colombia?
[Martinez Valdez] He already knew that I was going to Colombia.

[Escalona] How did he know?
[Martinez Valdez] Because he sent me there to replace...

[Escalona, interrupting] Well, anything could happen in a meeting among distinguished men of that trade. Either the others might attend or might not attend, the negotiations could be called off, anything could happen. Did you call him [Ochoa] to tell him that you were going or was that not necessary?
[Martinez Valdez] No.

[Escalona] You acted on your own?
[Martinez Valdez] Yes. After that I left and the meeting took place.

[Escalona] You left to meet with the illustrious Escobar?
[Martinez Valdez] Yes, with Escobar.

[Escalona] Did you reach any agreements there?

[Martinez Valdez] Escobar was not interested in the money-laundering business. He was interested in the boat. He requested approximately ten surface-to-air missiles and that a plane be ready in Cuba so that it could be sent for him in time of need.

[Escalona] What did you reply?
[Martinez Valdez] I told him that I would discuss it, except for the boat business.

[Escalona] With whom did Escobar believe that you would discuss it?
[Martinez Valdez] That was not mentioned.

[Escalona] I specifically ask you: Did you tell him that you were going to discuss this with...

[Martinez Valdez, interrupting] With no one. I just told him that the matter would be discussed.

[Escalona] Just like that?
[Martinez Valdez] Just like that.

[Escalona] With the Holy Spirit or with the Virgin Mary?
[Martinez Valdez] No, not with the Holy Spirit. I want to explain something. During Fernando's [not further identified] visit to Havana, when the four Colombians visited Havana, they had a good image of Cuba. Fernando...

[Escalona, interrupting] Martinez, please do not give us a long story because we will never finish. What other Cubans participated besides Padron?

[Martinez Valdez] What?

[Escalona] What other Cuban participated besides Padron?
[Martinez Valdez] (Eduardo) and (Willy).

[Escalona] That is when you discussed the drug processing laboratory?

[Escalona] Did Pablo Escobar by chance mention a falling out with Cuban cocaine dealers who failed him?
[Martinez Valdez] He did not tell me about a falling out. He told me that he had been involved in drug trafficking with Cubans and asked if I knew anything about that activity.

[Escalona] He said that he had been involved in that activity. Of course that was not news to you.

[Martinez Valdez] It was news to me; I did not know that.

[Escalona] No, it was not news to you. You (had already met) with Amado Padron, [name indistinct], with (Willy) and (Eduardo). Why was that news?
[Martinez Valdez] Amado did not tell me who they were.

[Escalona] Why did you meet with Colombians and other foreigners to discuss money laundering, drug trafficking, and other issues?
[Martinez Valdez] I met with them, but I did not know who they were.

[Escalona] You believe now that there were others?
[Martinez Valdez] Yes.

[Escalona] You waited for the boat in Havana?
[Martinez Valdez] No, what I waited for in Havana was a telephone call so that [words indistinct].

[Escalona] You were to leave on the boat; you boarded and sailed.

[Martinez Valdez] I was to board that boat, but the boat never arrived.

[Escalona] The boat did not arrive. Did you remain in Havana?
[Martinez Valdez] Yes.

[Escalona] For how long?
[Martinez Valdez] A few days.

[Escalona] How did Ochoa inform you of the outcome of his efforts?
[Martinez Valdez] Ochoa telephoned me from Angola to ask me about the drug business; he knew about the boat. He had found out about it in Havana during a working trip.

[Escalona] Did you explain the situation to him?
[Martinez Valdez] I explained that our plans had changed, that an airplane would be used because the plans involving the boat would never work.

[Escalona] Did he agree?
[Martinez Valdez] He agreed.

[Escalona] Why did you travel to Panama in August and September?
[Martinez Valdez] To plan the airplane trip.

[Escalona] The airplane trip. Who were you representing? Tony de la Guardia or Arnaldo Ochoa?
[Martinez Valdez] I represented Tony de la Guardia's group; this is what the Colombians believed.

[Escalona] Tony de la Guardia's group. You replaced Tony, the person Escobar invited, right? I assume that you are a member of Tony's group.

[Martinez Valdez] Yes, although they had never met Tony.

[Escalona] Why did the Colombian Fabel Pareja give you 5,000 pesos in Panama?

[Martinez Valdez] Fabel gave me 5,000 pesos because at one of the meetings I demanded money for expenses and he gave me 5,000 pesos for three people.

[Escalona] Are those the rules among drug traffickers?
[Martinez Valdez] No, but we did not have the money for the trip.

[Escalona] Was it in October that you traveled to Colombia again?
[Martinez Valdez] I do not know exactly if it was to Colombia, because Fabel Pareja.... [changes thought] Before that I held a talk with Escobar's brother, and he made it clear that he disagreed with the destination of the merchandise. He insisted on talking to me. Then Fabel came in on a private flight and we left through Paitilla Airport in Panama to a place that might have been in Colombia. I am not sure because it was in the middle of [words indistinct].

[Escalona] What did [word indistinct] say?
[Martinez Valdez] To Garcia. [sentence as heard]

[Escalona] What was the meeting for?
[Martinez Valdez] The meeting was for Garcia to say that the place chosen to [word indistinct] the merchandise was located to the south, southwest of Key Sal, very far from the coast. Efforts were under way to claim a boat which the border guards had seized in June in Oriente.

[Escalona] What was your response?
[Martinez Valdez] I told him that I did not know anything about the boat and that the safest place to conduct the operation was outside Cuban waters. Ochoa said on several occasions that it was important to conduct this operation outside Cuban territory.

[Escalona] In March and April you returned to Panama?
[Martinez Valdez] No, in March 1989, I...

[Escalona, interrupting] After meeting with Escobar's brother in a place you presume was Colombia—you did not know what country you were in, right?
[Martinez Valdez] Yes.

[Escalona] You returned to Cuba?
[Martinez Valdez] Yes.

[Escalona] There is another thing, Martinez. There was a meeting in May in which a number of topics were discussed. At that May meeting, the laboratory, the money, and the paper for counterfeiting were discussed. When did you meet with Ochoa? When did Ochoa learn about those things?
[Martinez Valdez] Ochoa learned about this after I returned from my trip to meet with Escobar. I met Ochoa in Havana during a working visit and briefed him

on how the entire operation was going to be carried out. This took place at his residence, where he gave me his approval. That was approximately in late June; the ship was to arrive in July.

[Escalona] When did you leave to sell the diamonds in Panama?
[Martinez Valdez] In March 1989.

[Escalona] In March—that is what I thought. Did you go there only to sell diamonds?
[Martinez Valdez] I went to deliver the diamonds and to deposit the $40,000 that Ochoa gave me.

[Escalona] Forty. What for?
[Martinez Valdez] To deposit it into the account.

[Escalona] Into the Angolan-Nicaraguan account?
[Martinez Valdez] Precisely.

[Escalona] Where did the $40,000 come from?
[Martinez Valdez] From business in Angola.

[Escalona] Martinez, let us return to a topic that I believe is most important to this country for what it represents and because of the importance of the issues being discussed at this trial. You say that you went to meet with Pablo Escobar as representative of Tony de la Guardia or in the place of Tony de la Guardia, who was the one who had received the invitation.

[Martinez Valdez] That is what Ochoa told me.

[Escalona] Yes. Martinez, did you wear a uniform while there?
[Martinez Valdez] On certain occasions.

[Escalona] Martinez, explain to us how you obtained a passport to leave Cuba.

[Martinez Valdez] Ever since meeting Tony de la Guardia, we applied for visas to travel abroad through Amado Padron's office. Padron obtained those visas by applyng for them at an office they have called (Melbar).

[Escalona] Martinez, for whom did you serve as an envoy during your meeting with Escobar?
[Martinez Valdez] I served as an envoy for a group of Cuban officials involved in drug-trafficking activities.

[Escalona] Of a group of Cubans...

[Martinez, interrupting] Of Cuban officials, state officials.

[Escalona] Was that a society?
[Martinez Valdez] No.

[Escalona] Who was the leader?
[Martinez Valdez] They thought it was a society.

[Escalona] Who was the leader?
[Martinez Valdez] That...

[Escalona, interrupting] Who was leader in Cuba? You know who.
[Martinez Valdez] Tony de la Guardia.

[Escalona] Did you feel you represented Tony de la Guardia or Arnaldo Ochoa?
[Martinez Valdez] I felt I was a representative of Tony de la Guardia. They always saw me as member of the group of Amado Padron and Tony de la Guardia.

[Escalona] But if you represented Tony de la Guardia, why did you need Ochoa's authorization or feel a need to consult on problems with him?
[Martinez Valdez] Because Ochoa was my immediate boss, and I consulted with him on everything.

[Escalona] What was Tony de la Guardia to you?
[Martinez Valdez] Everything I discussed with Tony de la Guardia I consulted with Ochoa.

[Escalona] Who did Escobar believe you were?
[Martinez Valdez] Escobar thought I was the representative of a group of Cuban officials determined to...

[Escalona, interrupting] Martinez, stop playing games with me. What exactly is a group of Cuban officials? Whom did you represent? Whom did Escobar think you represented?
[Martinez Valdez] Comrade Prosecutor, that issue was never brought up; it was never discussed. We never talked about a boss. We never talked about a...

[Escalona, interrupting] What about you—who impressed Escobar with all the attention given to his people, his boys, when they came to Cuba—what did you believe Escobar thought concerning who you were in his relationship with you?
[Martinez Valdez] That there was a group of Cubans...

[Escalona, interrupting] I want to know who you were.
[Martinez Valdez] An official with enough authority to do what I was doing.

[Escalona] What kind of official?
[Martinez Valdez] A Cuban Government official.

[Escalona] Of the Cuban Government. So, you believe Escobar was convinced of that.

[Martinez Valdez] Yes.

[Escalona] And you made sure he continued to believe that, did you not?

[Martinez Valdez] What?

[Escalona] You made sure he continued to believe that, because that improved your image in Escobar's eyes, correct? Being a representative of the Cuban Government is not the same as being a representative of a group of officials, which is unimportant. It is not like being a member of a lodge or church group. A group of officials is nothing, but a Cuban Government representative is something.

[Escalona] Martinez, what rank were you then?
[Martinez Valdez] Captain.

[Escalona] All the time you were running around Panama and Colombia and during your close relationship with Escobar and the drug traffickers, did you feel you were a FAR officer?
[Martinez Valdez] Not really.

[Escalona] Who did you feel you were?
[Martinez Valdez] I felt like someone who had strayed from the path as a result of immaturity; I felt we had lost, or rather I personally had lost my moral and my...

[Escalona, interrupting] Martinez, when did you begin feeling this way?
[Martinez Valdez] I began feeling this way after everything became known. But that...

[Escalona, interrupting] Ah, only now?
[Martinez Valdez] Yes.

[Escalona] And when you were traveling the world?
[Martinez Valdez] I was also concerned then.

[Escalona] Not as much, though. Can you imagine what would have happened if a FAR captain were arrested—as an envoy of I-do-not-know-what officials—together with Mr Escobar?
[Martinez Valdez] It would have been catastrophic.

[Escalona] For whom?
[Martinez Valdez] For Cuba, for the fatherland.

[Escalona] Martinez, what does the fatherland mean to you?
[Martinez Valdez] This is my homeland.

[Escalona] This is the homeland you blemished. Martinez, do you realize you have placed the country and the Revolution on the verge of losing what is most precious and what has cost 30 years of blood and sacrifice? The people's prestige, dignity, and morals. Can you imagine you could have easily been the scapegoat that confirmed all the campaigns the imperialists have carried out year after year against this Revolution?
[Espinosa] Martinez Valdez, answer the questions.

[Toste] Are you aware you were involved in one of the most serious, adventurous, and irresponsible acts ever committed?
[Martinez] Yes.

[Toste] At this very moment, what experience and analysis have you drawn from these acts?
[Martinez Valdez] We seriously endagered the prestige and morals of the Cuban Revolution precisely when the enemy is carrying out a number of campaigns against us, and we failed to realize this because we had all become involved in this outside activity.

[Toste] Mr President, one more question. Martinez, do you accept the charges?
[Martinez Valdez] I do.

[Toste] Do you accept the accusation made by the...

[Martinez Valdez, interrupting] I accept the accusation made by the jury.

[Espinosa] Accused Martinez, you may leave.

[Martinez Valdez] Thank you.

[Espinosa] Defendant Antonio Rodriguez Estupinan, take your place facing the tribunal. Defendant, you are entitled by law to testify. Do you wish to testify?
[Rodriguez] Yes.

[Espinosa] Answer the questions the prosecutor will ask you, always looking toward the tribunal.

[Escalona] Defendant Antonio Rodriguez Estupinan, what was your job in Angola?
[Rodriguez] I was the mission chief's executive aide.

[Escalona] Does this mean that despite the rather strange conditions under which that mission operated, the executive aide in this situation had the same duties as an executive aide in any other Armed Forces unit?
[Rodriguez] Yes.

[Escalona] Did you work often with Ochoa? Did you travel with him?
[Rodriguez] Yes.

[Escalona] Were you aware of things taken in or out of his office? Did you receive secret documents and generally share his responsibilities?
[Rodriguez] Yes.

[Escalona] Good. Were you responsible for the secret documents?
[Rodriguez] I do not understand.

[Escalona] Did you do that specific job?
[Rodriguez] I do not understand.

[Escalona] Did you do that job?
[Rodriguez] Yes, I did that job.

[Escalona] How could you supervise Captain Llicas, Amelio, and so? Were you a sort of director in the black market [candonga]?

[Rodriguez] No. I never supervised Amelio, [name indistinct], or other people, nor was I a central figure in the black market. I was only engaged in the business toward the end of October 1988, as Gen Ochoa explained. I received what Llicas collected from the sale of...

[Escalona, interrupting] Defendant, limit your answers to a yes or no; when I wish a broader explanation, I will ask for it. Your statement was 14 pages long. You received the money Llicas collected?
[Rodriguez] Yes.

[Escalona] How much did you collect monthly?
[Rodriguez] It would be difficult to establish how much I collected monthly. I can give you an overall figure.

[Escalona] Let's hear it. How much is in that account? Did you deposit the money in a bank?
[Rodriguez] No. I put those funds in Gen Ochoa's desk.

[Escalona] Directly in Gen Ochoa's desk?
[Rodriguez] Yes.

[Escalona] Did any accountant check the money?
[Rodriguez] No.

[Escalona] Did anyone control that money?
[Rodriguez] I.

[Escalona] Are you an accountant?
[Rodriguez] I am not an account, but...

[Escalona, interrupting] You are the executive aide.

[Rodriguez] No. I kept an account in a notebook.

[Escalona] Did you bring that notebook to Cuba?
[Rodriguez] Yes.

[Escalona] Did you give it to a financier?
[Rodriguez] [Name indistinct] has it.

[Escalona] How much is in the account?
[Rodriguez] Prior to our leaving Angola, the highest figure was 17,190 pesos.

[Escalona] When you refer to pesos, what are you talking about?
[Rodriguez] Dollars.

[Escalona] $7,190 [as heard].

[Rodriguez] Yes. If I may explain, when we left...

[Escalona, interrupting] Yes.

[Rodriguez] When we left...

[Escalona, interrupting] Briefly. Be brief.

[Rodriguez] Yes. When we began this business transaction, we made two changes. In other words, at the beginning, when there was $17,000, we took $10,000 and exchanged it for kwanzas, on the black market, of course.

[Escalona] Defendant, I am not interested in all the steps taken, one by one. I am interested in learning this: You had $17,000 in the account, in Ochoa's desk drawers. Right?
[Rodriguez] In the end? In other words, in the end, when Gen Ochoa left...

[Escalona, interrupting] I am not talking about the end. How long were you there, as an assistant?
[Rodriguez] I was there for 14 months.

[Escalona] Fourteen months. What was the situation there when you arrived?
[Rodriguez] I do not know. I was not aware of any situation there at that time.

[Escalona] There were no such business deals?
[Rodriguez] There were no such business deals. That business began in October (?1988).

[Escalona] Who was the chief of mission at that time?
[Rodriguez] Gen Ochoa.

[Escalona] When you arrived, Ochoa was already there?
[Rodriguez] Yes, I arrived there together with him.

[Escalona] You went together with him? I am referring to when you arrived there. At that time, was there money in the desk drawers?
[Rodriguez] No.

[Escalona] There was none. How many kwanzas did you exchange for dollars on the black market?
[Rodriguez] How many kwanzas? In total, at the end, of those kwanzas, including everything, we exchanged $61,190.

[Escalona] Why?
[Rodriguez] That is what I gave Gen Ochoa.

[Escalona] Why? Why were those kwanzas exchanged for dollars?
[Rodriguez] Those kwanzas were exchanged for dollars because we knew, there were reports, that in view of an economic recovery, the Angolans were going to mint coins. Therefore, we could not have millions of kwanzas, as this could not be justified.

[Escalona] When you exchanged them for dollars, what did you do with the dollars?
[Rodriguez] We stored them in Gen Ochoa's office.

[Escalona] How much did you store there?
[Rodriguez] We reached $14,000 until he left.

[Escalona] When he left, did you hand him the money?

[Rodriguez] Yes.

[Escalona] What about the $24,000 you brought him?
[Rodriguez] Later, when I returned on the 23d [month not specified], I handed him $23,000.

[Escalona] Where did that $23,000 come from?
[Rodriguez] From ongoing deals.

[Escalona] Ongoing deals?
[Rodriguez] From deals with sugar, fish, and rum we had...

[Escalona, interrupting] Money obtained by trading sugar for kwanzas and then trading kwanzas on the black market for dollars?
[Rodriguez] Or trading sugar directly for dollars.

[Escalona] Yes, or directly for dollars. Defendant, did the $24,000 [as heard] belong to the mission?
[Rodriguez] Yes.

[Escalona] Why did you bring it to Cuba?
[Rodriguez] Because he ordered me to bring it to him.

[Escalona] But he was no longer mission head.
[Rodriguez] I was his subordinate.

[Escalona] But he was no longer mission head.
[Rodriguez] That is what he ordered me to do; that is what he ordered me to do through General Pohl.

[Escalona] Did you ask Gen Pohl?
[Rodriguez] No, I left him 30 million kwanzas.

[Escalona] You follow the due obedience principle, do you not? Do you follow the due obedience principle with your superior?
[Rodriguez] Yes.

[Escalona] Even if you know you are violating rules?
[Rodriguez] No.

[Escalona] How many years have you been a FAR member?
[Rodriguez] I do not understand.

[Escalona] How many years have you been a FAR member?
[Rodriguez] Me? For 29 years.

[Escalona] For 29 years. Have you ever seen a unit being managed under such a special style as the one that characterized Ochoa's most recent actions?
[Rodriguez] No.

[Escalona] As a revolutionary, do you believe you fulfilled a mission on this occasion?
[Rodriguez] I do not...

[Escalona, interrupting] Are you satisfied with the mission you carried out in Angola together with defendant Arnaldo Ochoa?
[Rodriguez] At the beginning, I really did...

[Escalona, interrupting] At the beginning?
[Rodriguez] Yes, when I...

[Escalona, interrupting] You were satisfied?
[Rodriguez] Yes, I felt I had complied with my obligations. Today, in view of the current developments and what I have seen here, I, of course, no longer feel that way.

[Escalona] Defendant, did you ever feel an obligation to inform, call, or alert your former military unit—where you used to work before leaving for the mission in Angola—about what was going on in Luanda?
[Rodriguez] No.

[Escalona] Why?
[Rodriguez] I thought we had authorization.

[Escalona] What?
[Rodriguez] I thought we had authorization.

[Escalona] What were you authorized to do? To send an Armed Forces captain to sell sugar on the black market and work with contraband dealers? Do you believe that was authorized? And what becomes of that captain? With your behavior, what have you done to that man who has fulfilled three internationalist missions and has been wounded in combat? You turned him into a black market trafficker in Luanda's black markets. Antonio, how did Ochoa treat you and Martinez? Did he give you many presents?
[Rodriguez] Pardon, I could not hear well.

[Escalona] I asked whether Ochoa gave you many presents.

[Rodriguez] To me? No.

[Escalona] He never gave you a present? Are you sure, Antonio?
[Rodriguez] He gave me 500 pesos once; that is, he gave me 1,000 pesos to pay for some things he had purchased.

[Escalona] When you talk about pesos, you are talking about dollars, correct?
[Rodriguez] Yes, dollars; I am not talking about Cuban pesos. He gave me that money to pay for some things he had purchased at Tony's store. I paid for those things...

[Escalona, interrupting] At whose store?
[Rodriguez] At a store Tony had there. I paid for those things, took the change back to him, and he told me I could keep the change.

[Escalona] So how much did you get?
[Rodriguez] I got $550 or $570.

[Escalona] Defendant, there is a point I really believe deserves deeper analysis. You have been in the Armed Forces for 29 years?
[Rodriguez] Yes.

[Escalona] You have displayed faultless behavior throughout your life?
[Rodriguez] Yes.

[Escalona] You have fulfilled several internationalist missions?
[Rodriguez] Yes.

[Escalona] You have assumed the responsibility of being head of missions abroad?
[Rodriguez] Yes.

[Escalona] You have worked in this ministry for many years?
[Rodriguez] Yes.

[Escalona] And suddenly, all this was gone; you completely lost your self-critical ability to judge the actions of your superior at the time; you believed everything was all right, that money could be liberally used and that you and your friend could give $47,000 to someone who was no longer head of the mission and who was not the owner of that money, which should have remained at the mission as mission property. Do you believe there is anything condemnable in your actions?
[Rodriguez] They are condemnable...

[Escalona, interrupting] There is nothing punishable...

[Rodriguez, interrupting] They are punishable...

[Escalona, interrupting] Is there any sign showing a serious deterioration in your status as a revolutionary?
[Rodriguez] I believe [sobs]...

[Escalona, interrupting] What did you say? Answer yes or no: Is there any sign of deterioration?
[Rodriguez] Yes, there is deterioration.

[Escalona] That is all for the time being, Mr President.

[Aymeriche] Comrade Rodriguez Estupinan, at any time during your stay in Angola did you keep money at your home or at your office—dollars, kwanzas, [words indistinct]?
[Rodriguez] No.

[Aymeriche] The funds Llicas transferred to you for all these operations: Did you pass these immediately to the offices of the mission chief?
[Rodriguez] Yes.

[Aymeriche] At no time then did you take part in the elephant tusk deals?
[Rodriguez] No.

[Aymeriche] Did you keep any money from these deals?
[Rodriguez] No.

[Aymeriche] Were the diamonds handed over by Llicas directly to you or to Ochoa?
[Rodriguez] He would either give them to me or to my general.

[Aymeriche] Did you also keep any diamonds at home?
[Rodriguez] No, they were kept in a little jar at the general's office.

[Aymeriche] In other words, you kept them in the office?
[Rodriguez] In a drawer at the general's office.

[Aymeriche] Aside from the sugar, meat, and corn flour operations, did you carry out any other operation that you were not instructed to?
[Rodriguez] I told you I did not carry out any meat operations.

[Aymeriche] No, not meat; I said flour, fish, and sugar.
[Rodiguez] Yes, those yes.

[Aymeriche] In light of these events and at this moment, what do you think of your conduct and attitude as a revolutionary?
[Rodriguez] In light of these events and at this moment, I do not know if the comrade attorney general knows or if the tribunal knows this: I, of course reproach my attitude; I consider my attitude as being unworthy, ungrateful, and not meriting the least consideration. I do not consider that my most serious fault was taking part in these businesses. The party's second secretary, the comrade FAR minister, called me and asked for my cooperation to help clarify this case. He dedicated about an hour of his precious time, and I lied to him. I did not tell him what I knew; I falsified the truth. To make matters worse, I wrote Colonel Trutie a note advising him to falsify the truth. I feel that was my main moral mistake, and I feel the whole weight of justice should fall upon me, without compassion, because I have become unworthy.

I have not only betrayed the trust bestowed upon me, because as the comrade prosecutor said [words indistinct] at least to the chief of the mission, because I used to work at the minister's secretariat office. I have also betrayed his trust. With that betrayal, I not only betrayed myself, but I feel I have betrayed our people, I betrayed my comrades, I betrayed my family, and I betrayed the sacred principles of our people. I feel [sobs] that I deserve to be severely punished. That is my opinion.

[Espinosa] The defendant, Rodriguez Estupinian, may now leave. The work of this tribunal is now in recess until 1500 today, 1 July. The accused will remain in their places. The public may leave the room.

Prosecutor Wants Death Penalty

FL0507115289 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 July 89

[Text] The prosecutor's ministry requested the death penalty for 7 of the 14 ex-officers of the MININT and FAR who were tried for hostile acts against foreign nations, drug trafficking, and other grave crimes against the fatherland.

During the last session of the expeditious trial by the special military tribunal, the prosecutor, Brigade General Juan Escalona Reguera, gave a final oral report and asked for the maximum penalty for Arnaldo Ochoa Sanchez, Jorge Martinez Valdez, Antonio de la Guardia Font, Amado Padron Trujillo, Antonio Sanchez Lima, Eduardo Diaz Izquierdo, and Alexis Lago Arocha. Moreover, the prosecutor asked for 30 years imprisonment for Patricio de la Guardia Font, and Rosa Maria Avierno Gobin; 25 years imprisonment for Leonel Estevez Soto, Jose Luis Pineda Bermudez, Gabriel Prendes, and Miguel Ruiz Poo; and 15 years imprisonment for Antonio Rodriguez Estupinan. Besides, as an added sanction, he requested that all goods obtained from the crimes be confiscated.

Summary of 4th Session of Hearings

FL0507131389 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Jul 89

[Text] The fourth session of the expeditious trial by the special military tribunal began with the appearance of Lieutenant Colonel (Marta Subero Valdez), expert from the Central Laboratory of Criminology, who testified that the envelopes taken from Padron Trujillo and Diaz Izquierdo contained pure cocaine.

The president of the tribunal, Division General Ramon Espinoza, said that the documented proof in possession of the tribunal would be taken into account when sentencing. The prosecutor, Juan Escalona Reguera, began his oral report stating that the overwhelming amount of proof and testimonies confirm that the accused committed the crime of treason. He remembered who Arnaldo Ochoa had been and said that his previous position gives an exact indication of the magnitude of his crime and that on top of the grave crimes he has been charged with, and have been proved, his biggest fault was having betrayed his people, his fatherland, and Fidel.

The prosecutor said that during the hearings, it was shown how the actions by Ochoa and the rest damaged the Revolution's prestige and credibility—the main and sometimes only weapon against imperialism's aggressiveness. He stressed the discredit that would have occurred if Martinez Valdez, aid to the chief of the Cuban military mission in Angola, had fallen into the hands of the enemy while meeting with Pablo Escobar in Colombia. He stressed that the accused know very well the Revolution's view regarding drug trafficking.

The first person Ochoa betrayed was Fidel, whom he knows is a symbol and a clean story who has never been tarnished by lies, said Escalona. He added that by denying Fidel, Ochoa denied Cuba and left it at the mercy of enemy attack, dramatically weakening the Revolution's defenses.

The prosecutor, Juan Escalona Reguera, explained how ex-General Ochoa Sanchez tricked the Nicaraguans and stole important sums of money from them behaving like a common delinquent. However, he affirmed that in establishing contacts with drug traffickers, Ochoa did not involve or corrupt any Sandinist combatants. The prosecutor asked: What opinion will our Angolan friends have of this? He also noted what an embarrassment it is for our internationalist combatants to know that the chief of the Cuban military mission in that country decided to traffick in Luanda's black market [candonga] to profit from the hunger in our brother African country. Escalona Reguera said all of this was more infamous than trafficking in ivory and diamonds. The prosecutor asked himself: What excuse can Ochoa offer the orphans and widows of the men who died in Angola? He added that the men who fought in Angola are the ones who walk our streets, work in our factories, sow our fields, and they ask for justice.

Escalona noted that in these past few days, Ochoa has tried to convey the image of being a simple and austere man. However, Escalona stated that Ochoa was neither one thing nor the other because he never deprived himself of nothing, he obtained whatever he wanted, and he did not hesitate to go into drug trafficking to get easy money. Escalona also stated that Ochoa planned to build a mansion for himself made from precious lumber from Angola and that he enjoyed every human and divine pleasure going as far as committing immoral actions that were detailed by Patricio la Guardia. However, these were not made public due to decency.

That Arnaldo Ochoa does not exist. He destroyed himself util he became the grotesque caricature we have before us, said Escalona. He added that the ex-general grew tired of serving the people, of fighting and working for the liberation of other countries, and that finally, disgusted and bored, he chose another role model, a person such as Pablo Escobar, who preferred the easy money obtained from drug trafficking.

In the fourth session of the expeditious trial by the special military tribunal, the prosecutor stated that Antonio de la Guardia was the main person responsible for linking Cuba to drug trafficking and detailed how De la Guardia abused his privileges and placed them at the service of drug trafficking. He denounced how Antonio de la Guardia and his gang tricked, bribed, and confused people, as well as the way in which they made obvious their disloyalty to their country and their institution.

Escalona Reguera affirmed that it is difficult to determine how many of the men who came to our nation in launches during the drug trafficking operations were CIA agents, nor how many of the actions committed by the accused are documented by our enemies. He termed Amado Padron as an opportunist capable of any vile act and of low moral fiber. Of Jorge Martinez, Escalona said he was the grey side of Ochoa and was probably Ochoa's advisor and co-mastermind of the utmost venture, the trip to Colombia.

I have no doubt that in front of Escobar, he assumed a certain level of official representation, because Martinez could only impress the Colombian drug trafficker by passing himself off as a Cuban representative, said the prosecutor. Later, Escalona talked about the participation of Sanchez Lima, Eduardo Diaz, Alexis Lago, and Ruiz Poo. All of them left aside their past and their honor and evolved into simple servants of drug trafficking.

With relation to Antonio Rodriguez, Escalona said that instead of helping Ochoa, he dedicated himself to sharing Ochoa's criminal commercial actions and brought him $17,000 that belonged to the military mission in Angola. Referring to the accused Rosa Maria Abierno, he remembered her as a teacher and how she went wrong when she looked for houses and cars. Escalona then asked if any of the accused had thought of the consequences drugs would have on the youths of the world.

Referring to Patricio de la Guardia, the prosecutor recalled his important responsibilities during his service in a country at war and how he did not hesitate in leaving them to dedicate himself to illicit commercial ventures and the insolent theft of resources. Later, Escalona Reguera said that the fact of not having committed nor having been involved in drug trafficking excluded him from having the maximum penalty requested. Escalona mentioned the deluge of infamy and false accusations these people provoked abroad; he cited reports stating political motives for the actions of common criminals.

Finally, the prosecutor made a judicial evaluation of the betrayal of the fatherland by the accused and noted the participation of some of the accused in hostile acts against foreign states. This was done when they used the United States, Mexico, Colombia, and Panama as locations to carry out their drug trafficking actions.

If the previous good conduct, and in some cases heroic acts, of the accused can be considered palliative, it is those very merits which make the crimes more severe. Afterward, the prosecutor requested sentences for the accused.

After a recess, the defense attorneys began their presentation. In general, they asked for a lessening of the sentences requested by the prosecutor. The defense attorneys were: Colonel Alberto Ruben D. Toste Rodriguez, Major Ramon Aymeriche Salas, Major Aramis Villalon Ona, Major Aristides Rusignol de la Pena, Captain Roilan Hernandez Concepcion, First Lieutenant Estel Recio Zamora, Major Manuel Garcia Nicolas (Valdez), Major Raul Martinez Perez, and Major Julio Gonzalez Gueton.

In their statements, they asked that the past record of each of the accused be considered, their merits, cooperation in the clearing up of the events, and confessing their participation in these actions.

The defense attorneys also emphasized that the sanctions should be made more suitable given the revolution's generosity and humanism. They also said that the sanctions should have an educational character. The lawyers also said that this process should serve as an example so that events such as these are not repeated. The attorneys were grateful for all the possibilities and facilities they were given in their endeavors.

After the defense attorneys concluded their statements, the president of the tribunal asked the accused if they wished to add anything. After the accused declined, it was stated that the oral hearing was concluded and that the trial had ended for sentencing. Now the tribunal will examine the evidence before issuing their sentences.

House of Americas President on TV Marti

FL0507150789 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Jul 89

[Text] The U.S. project to emit television broadcasts to Cuba has received the condemnation of the Cuban people. The president of the House of the Americas, Roberto Fernandez Retamar, speaks to us about this new act of U.S. aggression toward Marti's fatherland.

[Begin Fernandez recording] This represents another act of prepotency, arrogance, and shamelessness. Everyone knows that the land, air, and water of a nation cannot be occupied unless it is done with piracy, the same thing happens with television space. This act is, not just for us but also for all the Latin American countries of our America, an act of shameless piracy by U.S. imperialism. We are certain that our people, government, and the Communist Party of Cuba will know how to give the necessary response to this situation. [end recording]

Havana Scholars Denounce Broadcast

FL0507160289 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Jul 89

[Text] Professors, students, and workers of the Marti Union issued a declaration condemning the U.S. project to emit television broadcasts to Cuba. The people who attended the ceremony said they were in favor of continuing to face the present demands of the ideological struggle and unmask any event that attempts to stain the works and thoughts of our national hero, Jose Marti.

The declaration of condemnation was read by Dolores Nieves Rivera, chairperson of the Department of Marti Studies, University of Havana.

[Begin Nieves recording] It seems to us that it is absurd and unworthy to use his name [Jose Marti] in a project to attack the nation he helped create and which today continues to follow his teachings. Only those of us who are heirs of his revolutionary and ethical revolutionary legacy have the right to use his name, the name of a man who, in the middle of his political maturity, knew who the main enemy of the American nations was. Not only did he fight for Cuba's independence, he also prepared himself to carry out the fight for the second and final independence of America.

Those lackeys who sought refuge in the troubled north, the ones who disdain us, are preparing a new aggression against the free fatherland. Today, that fatherland is experiencing hard times. However, once again, the people will form a beam with Fidel and continue to struggle for the nation's sovereignty and dignity. The people know who their legitimate heroes are and where their enemies are.

Department of Marti Studies, University of Havana. [end recording]

Flights Between Havana, Berlin Inaugurated
FL0507184789 Havana Tele-Rebelde Network in Spanish 1700 GMT 5 Jul 89

[Text] Interflug's A-310 plane will fly twice a week from Berlin to Havana. This plane has the capacity to carry 208 passengers. In the inaugural flight, officials from the GDR's civil aviation sector flew to Cuba. Also on the flight were tour operators, representatives from various agencies, and tourists.

At the Jose Marti air terminal, the president of Cuban civil aviation and the director of the Cubanacan Corporation [Abraham Masique] welcomed the guests.

[Begin Abraham Masique, identified by caption] Having flights twice a week between Cuba and the GDR, as of this week, will also permit us to look for connections between various European countries and the GDR to then fly directly to Cuba without stops. This is also a way to look for tourism with a greater purchasing capacity because this way individual tourists will be able to come to Cuba, not just people in tour packages. This flight is important to the tourist development being carried out by our country. This operation begins, as of now, with two flights per week. However, begining in winter, which is the high season, they will start having three flights per week.

We already have a series of plans with tour operators in Austria and the FRG who intend to use this airline to come directly to Cuba. [end recording]

Sugar Industry Minister Ends Visit to Bulgaria
FL3006150089 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 89

[Text] Cuban Sugar Industry Minister Juan Herrera has ended a visit to Bulgaria. The Cuban official signed agreements there that give a new dimension to cooperation for the development of our sugar industry. Herrera met in Bulgaria with top Bulgarian officials in charge of dealing with foreign economic relations.

Ricardo Alarcon on Troops, Tripartite Accord
FL3006144589 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 89

[Text] Half of the troops fulfilling internationalist missions in Angola will be in Cuba by November of this year. This was said in Havana by Cuban Foreign Vice Minister Ricardo Alarcon during a meeting with the foreign media. Alarcon said that a total of 50,000 combatants [as heard] and the pace of the return is being fulfilled well. The Cuban foreign vice minister also reported that the tripartite agreements signed in New York are progressing satisfactorily.

Div Gen Acevedo Welcomes Internationalists
FL3006144089 Havana Tele-Rebelde Network in Spanish 1100 GMT 30 Jun 89

[Text] In the last few hours, 160 internationalist combatants arrived in the fatherland after honorably fulfilling their mission in the People's Republic of Angola. Thirty-eight of them won the Combatant Medal First Class, and 121 won the Second Class. One holds the Defense of Cuito Cuanavale Medal and all hold the Cuba-Angola Victory Medal.

The courageous group of internationalist combatants was welcomed by Division General Rogelio Acevedo, member of the Communist Party of Cuba Central Committee and chief of the Revolutionary Armed Forces Central Political Directorate.

Pedro Ross Greets Combatants
FL0407150289 Havana Tele-Rebelde Network in Spanish 1100 GMT 4 Jul 89

[Excerpts] A new group of internationalists has arrived from Angola after successfully completing their mission. Each one of them is filled with joy and pride for fulfilling their duties. [passage omitted]

Pedro Ross Leal, member of the Communist Party of Cuba Central Committee and president of the national organizing committee for the 16th CTC [Central Organization of Cuban Trade Unions] Congress, headed the group that welcomed the more than 140 internationalists who fulfilled their mission in Angola.

The chests of these men carried the medals of internationalist combatant, defense of Cuito Cuanavale, and victory of Cuba-Angola. As of today, they will contribute to building a new society in our country.

Over 150 More Return

FL0507152289 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Jul 89

[Text] Today, over 150 internationalist combatants arrived in the fatherland after successfully completing the mission they were assigned by the revolution; contribute to the liberation of the People's Republic of Angola.

Upon their arrival, the internationalists were greeted by Pedro Ross, member of the Communist Party of Cuba [PCC] Central Committee Secretariat and president of the organizing commission of the 16th CTC [Central Organization of Cuban Trade Unions] Congress, Commander of the Revolution Ramiro Valdes, officers of the FAR [Revolutionary Armed Forces], PCC leaders, and mass organization leaders.

Heading the flight was Colonel Jose Rodriguez Nunez. Rodriguez won the Ignacio Agramonte Medal; third class. Those who with their blood and effort contributed to the triumph of that nation will continue the battle to build the socialist society in Cuba.

Over 300 Welcomed at Cacahual

FL0507182589 Havana Tele-Rebelde Network in Spanish 1700 GMT 5 Jul 89

[Text] In his greeting today, while rendering honors to more than 300 internationalists at the Cacahual Mausoleum, the representative of the working class said that in our beloved fatherland, socialism is here to stay. He added that the people will never let Fidel down.

In a gesture of appreciation for the worthy legacy left to us by our heroes, our internationalists placed a floral wreath on the tombs that hold the remains of Antonio Maceo, Panchito Gomez Toro, and Blas Roca.

While giving the welcoming speech, Commander of the Revolution Ramiro Valdes said that Angola has been the best political and revolutionary school for our combatants. Later, he explained the lesson we learned from the bitter actions which we condemn today.

[Begin Valdes recording, identified by caption] The slap in the face that has been felt by the entire nation will serve as a lesson so that events such as this never happen again. It will also make each one of us more vigilant, demanding, and consistent with the principles of the Revolution.

You, the internationalist combatants, at this moment represent the image of our nation's true values. Welcome to this Revolution which unites us and spreads through us. This is the Revolution of De Cespedes and Agramonte, Gomez and Maceo, Mella and Villena, Camilo and el Che, Marti and Fidel. [end recording]

Internationalist Dies in Car Accident in USSR

FL0407144289 Havana Tele-Rebelde Network in Spanish 1100 GMT 4 Jul 89

[Text] Architect Rigoberto Ramirez Rojas, director of the Cuban forestry contingent in the Far East region of the Soviet Union, has died in a car accident while he was carrying out an internationalists mission.

Ramirez Rojas, who was 39 years old, was a member of the Communist Party of Cuba and had previously been an enterprise director in the State Committee for Economic Cooperation.

Agreement With UN Food, Agriculture Group

FL3006023789 Havana Television Service in Spanish 0000 GMT 30 Jun 89

[Text] Today in Havana, officials signed a proposal by the FAO [Food and Agriculture Organization] for the evaluation of raw materials to be used in the production of poultry feed.

The document was signed by Ernesto Melendez, minister president of the State Committee for Economic Cooperation, and the representative of the UN Food and Agriculture Organization.

The FAO will provide a $100,000 budget for this project. This money will be used for obtaining, advising, and training Cuban personnel and will be beneficial to our nation's poultry production sector.

Foreign Minister Suggests Economic Solutions

FL0407231789 Havana Radio Rebelde Network in Spanish 2003 GMT 4 Jul 89

[Text] The Mexican morning newspaper, EXCELSIOR, today published an article by Cuban Foreign Minister Isidoro Malmierca in which he states that the economic crisis will not be alleviated simply by condemning the foreign debt. He adds that an overall focus that includes the solution of other phenomena, such as the deterioration of trade, protectionism, and the reform of the international monetary and financial system, will lead to long-lasting solutions.

The Cuban foreign minister's comments appear in the section entitled "Ideas" which the Mexican newspaper periodically publishes on a current pressing topic.

Isidoro Malmierca's article, which was published today in EXCELSIOR, focuses on the economic crisis.

PRI Concedes PAN Victory in Baja California

PA0607043989 Paris AFP in Spanish 0256 GMT 6 Jul 89

[Text] Mexico City, 5 Jul (AFP)—Having won a historic victory with the election of Ernesto Ruffo as governor in the state of Baja California, the National Action Party (PAN) today warned the government against any attempt to disregard other PAN victories in the 2 July state elections.

Institutional Revolutionary Party (PRI) President Luis Donaldo Colosio acknowledged Ruffo's victory yesterday. This was the first time in 60 years an opposition candidate has won a governorship.

Colosio added, however, that with a few exceptions, the PRI was winning in all the other elections for deputies and mayors that took place in five states on Sunday.

"We will continue fighting for acknowledgment of all our victories, not one more or one less," PAN President Luis Alvarez said during a rally in front of the Mexican Senate.

For its part, the leftist Party of the Democratic Revolution (PRD) said in a communique that Colosio is "a liar" and that the PRD won a majority of votes in the state Chamber of Deputies in Michoacan, another hotly contested election.

The war of numbers is still raging, and the winners will not be known until the official results are announced on 9 July.

The PAN and PRD announced that they would band together to "defend the vote." These two main opposition parties have planned demonstrations in the Mexican capital for Thursday and Saturday.

Other differences emerged between the PRI and the PAN over the partial results of the election of deputies in Chihuahua State.

In Campeche and Zacatecas States, where elections for the local Chambers of Deputies were also held on Sunday, the victory of the PRI in its traditional strongholds was not questioned.

PAN spokesman Jose Angel Conchello emphasized that the "domino theory" meant Ruffo's victory would extend to other Mexican states.

Sources close to the Presidency emphasized that President Carlos Salinas received the news of Ruffo's victory "calmly." The federal government will not rush to assist an opposition governor, but it is thought that a period of coexistence must begin.

3 DFS Chiefs Arrested for Reporter's Death

PA0207010589 Mexico City THE NEWS in English 25 Jun 89 p 2

[Text] Three commanders in the intelligence division of Mexico City's Police Department were arrested Saturday on charges they took part in the 1984 slaying of investigative reporter Manuel Buendia.

Juvencio Prado Hurtado, Sofia Anaya Juarez and Raul Perez Carmona, all former group commanders of the defunct Federal Security Bureau [Directorate] (DFS) and currently officials of the capital's intelligence office, are being held at the Northern Penitentiary, officials said.

A high-placed administrative official at the Mexico City Police Department said three agents in the intelligence division were also arrested. The official said he was not permitted to elaborate, since the investigation into the 1984 murder of Buendia, a syndicated political columnist at EXCELSIOR, is still "alive."

The police department said it will restructure the scandal-tainted intelligence division. Critics compare it to the DFS that was disbanded the year after Buendia's murder because of corruption.

Jose Antonio Zorilla Perez, director of the DFS at the time it was closed, has been indicted on charges of being the mastermind of the killing of Buendia on May 30, 1984.

A spokesman for the Mexico City Police Department, said Prado, Anaya and Carmona were subdirectors in the disbanded DFS, which was similar to the FBI. Villa said they are now group leaders in the intelligence division.

Several members of the Federal District Assembly, or city council, have accused the intelligence division of human rights violations and said it also should be disbanded.

The Police Department spokesman said the division will be restructured but details have not been worked out between Police Chief Javier Garcia Paniagua and Mayor Manuel Camacho Solis.

PLO Delegation Meets Foreign Secretary

FL0107102189 Mexico City NOTIMEX in Spanish 0354 GMT 30 Jun 89

[Text] Mexico City, 29 Jun (NOTIMEX)—Members of the PLO Politburo arrived today in the Mexican capital from different parts of the world. The delegation is headed by Foreign Minister Faruq Qaddumi Assad and includes Salim Issam from Palestine, Salem Fawzi from Algeria, Yahblef Awad from France, and James M. Ziede and Jassamh Abdel Rahman from the United States.

It was unofficially reported that the members of the PLO met with Foreign Secretary Fernando Solana Morales and other officials.

*** Ex-Oil Worker Denies Dealings With Cubans**
32480165 Mexico City PROCESO in Spanish
No 656 29 May 89 pp 12-13

[Article by Manuel Robles]

[Text] Retired oil worker Nicefero Perez Cardenas and his son, Guillermo Perez Linares, were kidnapped on Wednesday the 17th and Thursday the 18th by agents of the Intelligence Office of the Secretariat for Safety and Roadways (SPyV), who took them to a secret jail in Iztapalapa.

Perez Cardenas, who filed a criminal complaint as a result of these events at the Prosecutor's Office of the Federal District on Wednesday the 23rd, explained that at about 1630 hours on Wednesday the 17th, the two were detained in front of their home at 128 Chichapa in Colonia [urban community] Petrolera of Azcapotzalco by 15 individuals armed with pistols. The armed men got out of a black Caribe, a Volkswagen taxi, a Chrysler automobile without license plates, and a high-powered motorcycle.

A member of the Party of the Democratic Revolution (PRD) and vice president of the Mexican Movement for Peace (MOPAZ), Perez Cardenas explains that the men took them to the former Military School in Popotla where they made a phone call and then went to the Monument of the Revolution. There they met other agents and put the two men into a luxury Chrysler auto without license plates.

From there the father and son, hooded and covered by a blanket, were taken in the car onto the Tlalpan causeway. Shortly afterward the car went onto a terraced road and then they were taken out of the car, still hooded. They were put in a room with no lights where there was one cot. When they were seized the agents took their cash and personal items.

Early the following morning, at about 0500 hours, some light filtered into the room and they could see that they were in a rural dwelling. About 200 meters away they could see a little-used highway and uniformed officers of the SPyV Mounted Police, whom they recognized by their dress and their shields.

This is Perez Cardenas' account of the interrogation (his son was taken out of the room):

"Now, Don Nicefero, tell us how well the Group of 100 works!"

"First you tell me, what is the Group of 100?"

"You know."

"No, I don't."

"They carried out your last instructions to the letter."

"I don't know anything. This is the first knowledge I have of the existence of the Group of 100."

"You know very well that the Group of 100 is working to control the oil union. They have already screwed us up royally three times."

"I don't know what it is, I swear."

"What do you mean you don't know? They are running off subversive pamphlets on the printing press you have at your house, and on the mimeograph machine."

"I don't have a printing press or a mimeograph machine."

"Were the North Koreans and two Cubans at your house?"

"Yes, they were."

Perez Cardenas explains that he hosted four Korean doctors from Pyong Yang University in Korea, and that they were in Mexico as the guests of the Metropolitan Autonomous University (UAM), Xochimilco Campus, to give a course in acupuncture. He adds that they stayed at his house from 10 February to 3 March of this year, and that they came there because they complained of the food at the Cibeles Hotel where they were staying originally. He adds that the Koreans would leave his house at around 0930 or 1000 hours to go to the UAM Xochimilco, and that they would return at 1530 or 1600 hours to fix dinner. They would not go out afterwards.

The visitors were Dr Li Do Gon, president of the Korean Academy of Traditional Medicine; Dr Kimchans Ryons; Kimsons Te, interpreter and official of that country's Institute of Cultural Relations; and Ra Yonghun. He said he did not know the Cubans.

"What did they discuss with Cuauhtemoc Cardenas? Are they going to organize guerrillas for him?" pressed the commander.

"I don't know if they went to see Cuauhtemoc Cardenas, and I don't know what guerrillas you're talking about."

"You do too! You took the Koreans to Baja California to organize guerrillas with Braulio Maldonado's daughter (Martha, who is the PRD's candidate for governor of that state)."

"The Koreans never left the capital. The day they left they went to the airport to leave the country."

"Did you take the Koreans to Ciudad Madero to talk to La Quina about organizing guerrillas?"

Perez Cardenas says that the question struck him as "ridiculous," especially since the former head of the oil union was already in prison.

"Every month you receive 40 million pesos from abroad. You are the contact for delivering the money to the Group of 100."

"I must insist that you tell me what the Group of 100 is."

"We know you are an intelligent person. You just came back from Cuba. How much money did they give you there to organize the oil groups?"

"I did go to Cuba, but I paid my own way as a delegate to an international congress in Havana."

"We'll ask you again: How much money did Hector Dominguez, La Quina's aide, give you?"

"I didn't see Hector in Cuba at all. Yes, I do know that he's a high-ranking aide to La Quina."

"We have witnesses who saw you receive money from the Cubans and the North Koreans in Cuba."

"No one gave me money. That's nothing but lies."

"We have witnesses who saw you receive that money. We can prove it. One of them is Demetrio Almaguer, an oil worker in La Quina's service. The other is Deputy Osiris (Cantu, a federal deputy for the Mexican Socialist Party)."

"Tell those two bastards to stop telling lies. No one has ever given me money, and I have never received it from anyone."

Guillermo Perez Linares also claims that he was interrogated. The 29-year-old doctor says:

"They didn't touch me, but they asked me about the oil workers and basically about the North Koreans: what they had done, whether they had weapons, whom they had seen, if there was a guerrilla camp...I denied everything."

A day later, on Friday the 19th at about 1200 hours, the two were placed in a black Corsar, accompanied by another automobile and a motorcycle. The two were abandoned at the corner of Morelia and Alvaro Obregon at about 1300 hours, covered with a blanket in the back seat of the car.

In the interview with PROCESO, Perez Cardenas claims he does not know why he was kidnapped, and he blames SPyV chief Javier Garcia Paniagua, who is in charge of the Intelligence Office. In the criminal complaint filed with the Federal Judicial Police, he blames the latter official and the chief of the Federal District Department (DDF), Manuel Camacho Solis, for whatever happens.

Perez Cardenas, 71, is a World War II veteran and a survivor of the tanker "Tuxpan." He worked for Pemex [Mexican Petroleum] for 37 years, starting out in the oil fleet of the El Aguila company. He founded the 27 August trade union movement in Local 34, Azcapotzalco. He has been jailed 11 times, he says, for fighting for the rights of oil workers. In 1949, under the government of President Miguel Aleman, he opposed returning the oil industry to the hands of foreign companies.

Less than 2 years ago, on 20 October 1987, then President Miguel de la Madrid decorated him and seven other oil workers at the port of Veracruz for service to the fatherland. Last year, on the 50th anniversary of the oil expropriation, he received another award in Ciudad Madero, this time from the Trade Union of Petroleum Workers of the Mexican Republic (STPRM).

He now says, a few days after the experience, "They had already let me rest for 20-odd years...."

In addition, tensions mounted in Ciudad Madero. The pro-Quina group led by Emilio Romero, which has taken over the building of Local 1, stepped up its marches and rallies. The other faction, which consists of followers of Sebastian Guzman Cabrera and is recognized by Pemex, is cracking down on dissidents.

On Tuesday the 23d, some 10,000 workers held a march to protest the discharge of 200 pro-Quina workers. The oil workers complained that Antonio Trevino Blanco, who heads the other group, colluded with the company. "They want to impose terror so that the opposition movement will dissolve." The majority of the 200 fired workers, to whom Clause 34 was applied, were department chiefs.

The demonstration by the Emilio Romero group coincided with the publication of a letter from Joaquin Hernandez Galicia in the local newspapers in which he thanks his followers for their support and asks them to guard the great wealth of Local 1.

The Quina supporters will hold other marches this week. The Antonio Trevino group, however, threatens to retake the union building and also carry out parallel demonstrations.

Missions Planned in Thailand, Singapore

PA2806172389 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 27 Jun 89

[Summary] Deputy Foreign Secretary Andres Rosenthal has announced that the Mexican Government has decided to open an embassy in Thailand and a consulate in Singapore in the near future. The decision is aimed at increasing Mexico's presence in the area and trade with the Pacific Basin.

Guatemala

Agriculture Minister Resigns; Replacement Named

PA0607030889 Guatemala City EL GRAFICO in Spanish 4 Jul 89 p 10

[Text] Guatemala City, 4 Jul—Agriculture Minister Rodolfo Estrada Hurtarte has resigned. He reported this yesterday during his last news conference at his office. Estrada said he agreed with President Cerezo to leave on 10 July. He will be replaced by Carlos de Leon Prera, the current deputy agriculture minister.

The minister said the president made this decision to ensure the continuity of agricultural programs. This way, the minister explained, projects and activities that are under way will not be halted.

Estrada said the reason he resigned is that he wants to retire to private life and "go home," but he said President Cerezo asked him to take the honorary position of vice president of the World Food Council, a UN organization. Estrada will hold that post for 2 years.

Estrada said he has not talked to the president about also taking a "full-time, low salary position," but he did not rule out this possibility.

* Electric Power Industry Problems Reviewed

32480157a Guatemala City EL GRAFICO in Spanish 22 May 89 pp 46, 59

[EL GRAFICO interview with Jaime Caceres Knox, engineer; date and place not given]

[Text] [EL GRAFICO] Do you see an energy crisis for Guatemala on the horizon?

[Caceres Knox] The present government's position on the nation's electricity supply has been that no new electricity plants should be built when there was a number of plants that could be repaired, and which could generate more than 200 megawatts.

It has been recognized from the start that two steam-powered plants could be repaired: Breda, a 53-MW plant, and AEG, a 33-MW plant. There are also some gas turbines of the Escuintla thermal power group, which need complete reconditioning.

These plants have been out of service ever since 1982 and should be given this maintenance.

The government has relied on the potential of the Chixoy power plant, which began to operate at full capacity in the days of General Mejia Victores.

The plants that broke down in 1982 have not been on-line since that time.

The present government has a contract with an Italian firm for the reconditioning of these two plants in approximately 18 months. So what it is doing is reconditioning old INDE [National Institute of Electrification] plants to accumulate an energy reserve, in order to meet the growth in demand. In practical terms, the combined sum of kilowatt-hours generated by those two plants, when available, might be able to cover a 2-year growth in demand.

This means that when they are completed, in 12, 16, or 18 months, they should be able to cover the growth in demand for a period of 18 months to 2 years beyond that point.

This won't be sufficient to solve our problems in the short term. The plants are not reliable enough to meet our short-term demand.

The Reason for the Blackouts

In the meantime, we can point out some facts about the situation:

Some blackouts are already starting to occur. There is an explanation for this.

Guatemala has accumulated a large nominal generating capacity. So, in theory, no more plants should be needed for the next few years.

In general, we can say that the nominal potential of the Empresa Electrica [Electrical Enterprise] and the potential of the INDE, combined, are on the order of 700 megawatts. However, this potential includes plants which have been so badly neglected that they have not been maintained, and one by one have gone off-line, as I just said, especially in 1982.

In addition, among the plants that are in operation, we have some which were not designed to operate 24 hours a day. This means that in reality they can not generate all of their nominal capacity. Aguacapa is a 70-megawatt plant, but its reservoir can only be used from 5 to 6 hours a day. And so all of its megawatts can not be generated.

Now, Chixoy is on-line, and with the interconnected system, production stays around the real level of about 360 megawatts; this is what the Chixoy plant, combined with a few of the system's other plants, can do.

This means that Guatemala's real kilowatt production is only a little above its real demand. There is only a small reserve.

To give one example, when a summer is very dry the potential of the Chixoy plant can not be fully used, because of the lack of water in its reservoir. So thought has to be given to making the best possible use of the system.

Then we have the plants that are completely out of service, which I mentioned in the beginning, and the thermal and hydroelectric plants that are now operating. These plants, despite their real limitations, do meet demand, and can even provide a small reserve for some time to come.

But we have a third category of plants. These are the ones that need to be taken out of operation for some time, so that they can be given maintenance.

That has not been done in order and according to the required schedule, because some of those plants can not be shut down.

If we deduct the plants that have been shut down since 1982, and the ones that generate less than their nominal capacity, we are left with the real sum of what is produced, which is just slightly above the level of demand. None of the plants can be shut down, taken out of service, for maintenance. That is the problem.

Two solutions are theoretically possible: either start to build new hydroelectric plants as quickly as possible, or buy new thermal plants or diesel turbine plants. In the event of a national emergency, the nation's leaders would obviously have to purchase diesel-powered turbines, which can be rapidly installed.

In the first option, the construction of new plants, we can see right away that they would not be ready by the time they were needed, between now and the next 2 years, in order to respond to the growth in demand.

The second option is more feasible for the short term, but it does have one disadvantage; such plants produce an extremely expensive kilowatt, since they use diesel fuel.

There are other thermal plants that consume bunker fuel, which is cheaper, but none of them could be installed as rapidly as diesel turbines.

Nonetheless, given the high cost per kilowatt, it can be anticipated already that the INDE will have to raise its rates so it will be able to pay for the enormous costs of this system. If it does not do so, the government will have to subsidize the INDE.

The system, which is composed of the three categories of plants which I have just mentioned, has now entered a critical area. Warning signals have already begun to flash, indicating that when additional energy production is needed, or when some plant in the system can not be maintained, there will not be sufficient reserves, and there will be no way to meet this energy demand; then there will be blackouts, which are forms of rationing.

In very specific terms, we are saying that because of a number of different conditions, Guatemala's generating capacity today is very close to its demand. There is no room for maneuver.

The fact is that the system has to be kept operating morning, noon and night, and this limits even further any possibilities of maintaining the plants.

When we recall that maintenance for many of these plants or their parts is already overdue, it is clear why there is such cause for concern.

If a plant which already needs maintenance is shut down, we would have to take emergency action. And that emergency action has a cost.

Its cost must be known and discussed.

[EL GRAFICO] You said that in the event of additional energy demand, there would now be no way to handle it. What does the term "additional energy demand" mean, in the short term?

[Caceres Knox] They have decided to repair old INDE plants to try to deal with the situation on an immediate basis and to try to keep up with demand, as I said in the beginning of this interview. But even with the potential which the rebuilt plants may add, and even with all the power plants operating, in real numbers that will only create a small reserve.

Taking all that into account, assuming that the plants work well, the sum of kilowatts obtained in this way could only cover the normal growth in demand for 2 years, starting from this point in time.

If the government, as it has said, wants to sustain a 4-percent annual economic growth rate, then things change completely.

Under normal conditions, any increase in energy production by the total of all the plants is quickly absorbed by natural population growth and by the economy's natural growth. This is already happening within the limits of our present economic growth indices.

We have an equation which measures this. It tells us that for a 1-percent growth rate in the economy, we need growth of 1.8 percent in our energy supply. If the economy is to grow by 4 percent, we need a growth in our energy supply of about 6 percent or more.

And experience shows us that in reality, ever since 1982 we have not increased our pace of production by a single kilowatt after the Chixoy plant began to operate.

We believe there are no plans to start building any new plants. This is based on the government's decision not to build, but rather to rebuild.

The point is that there is no way to handle demand or a plant going off-line. Not unless we decide to make one of these three decisions: use turbine-operated plants, and increase rates; obtain foreign financing for new plants of any type; or finally, restrict or ration consumption.

The last option would mean blackouts, traffic signals not working, hospitals without light, cities darkened, industries shut down. It has to be ruled out.

Options for Handling a Crisis

Based on the nation's energy demand curve, we can predict that there will be rationing within 2 years, unless something very serious is done to expand the national energy system and to rationalize and optimize it.

And 2 years would apparently be a great deal. It takes between 4 and 5 years to build a plant.

We do have some options, though, because we can look at things calmly. We could offer these options to the INDE officials—here I am speaking in behalf of those of us who have worked inside INDE, who value the institution, and who know its technical and professional staff, and their potential.

Moreover, we know that INDE is now considering some studies such as Santa Maria II, some other alternatives, and the continuation of the Chixoy complex, based on Electrification Master Plan studies. For example, there are the Rio Grande de Zacapa projects, for which the INDE recently obtained bids, and which are now in their study phase, but no financing has been secured for their execution.

It is safe to predict that those projects are not going to come on-line in the short term.

[EL GRAFICO] How did things get this bad?

[Caceres Knox] For many years it was said over and over again that the hydroelectric plants scheduled in the Electrification Master Plan might be used to help enrich some people. Even so, Chixoy is now operating, and thanks to it we have light.

But because of that campaign, the present government preferred to make the decision not to invest in new plants, but instead just to rebuild the existing plants that were out of service. So now we're back where we were at the start of this interview, talking about decisions the government has made about energy....

INDE's Current Status

Starting from the time of the exchange reform, the entire subsidy given the INDE through the exchange rate, which had been 1 quetzal to 1 dollar, was withdrawn. Then the INDE immediately started to pay 2.70 quetzales for each dollar it owed.

In this new situation the INDE's revenues are barely enough to pay interest on the foreign debt the nation has contracted for the energy sector—and let's not even talk about paying back its bank loans.

The INDE is completely underfinanced. And this is the INDE which is going to be turned over to the next government. This is the situation which the present government is going to leave the nation with when it has finished its time in office, after the upcoming elections.

In these conditions, the nation's leaders have decided to seek major external financing from the World Bank, with which they are negotiating a soft loan of $100 million. The minister of energy and mines, Ronald Castillo Contoux, is in Washington right now, negotiating this line of credit with the World Bank. This funding seems essential if we are to get the nation's energy system going again. We will have to wait to see what news the delegation which went to Washington brings back for us.

The resources which the World Bank will provide to help reinvigorate Guatemala's energy system were allocated by the bank some years ago, pending compliance with the bank's requirements. They are contained in Contract 27-14-90.

The other option would be, as I said, that rates might be raised so that the INDE could deal with the debt and its costs, or that the state would again have to subsidize it.

Honduras

Contras Reportedly Kill 2 EPS Soldiers

PA0507193189 Hamburg DPA in Spanish 1830 GMT 5 Jul 89

[Text] Tegucigalpa, 5 Jul (DPA)—A Nicaraguan contra commando unit killed two Sandinist People's Army soldiers who had taken refuge in a camp of the UN High Commissioner for Refugees (UNHCR), located in the Honduran La Mosquitia region.

The dead soldiers are Felix Pedro (27) and Segundo Lopez (24), who were violently taken from the refugee camp and killed by members of the Indian Yatama [Indian military organization] group, part of the Nicaraguan contras. This was reported today by the Tegucigalpa newspaper LA TRIBUNA, which cited Radio Sani that operates in La Mosquitia.

The newspaper said that a contra commander named "Blas" confirmed to Radio Sani that the two Sandinist soldiers were executed in Honduran territory. LA TRIBUNA said that UNHCR authorities in Tegucigalpa said they were unaware of the incident.

Nicaragua

Santiago Paper Interviews Daniel Ortega

PY0507233289 Santiago ANALISIS in Spanish 26 Jun-2 Jul 89 pp 54, 55

[Exclusive" interview with President Daniel Ortega by David Cusatto—date and place not given]

[Text] [Cusatto] Will your government give the necessary guarantees for democratic and clean elections in 1990, as the Nicaraguan opposition demands?

[Ortega] Seven political parties participated in the November 1984 elections. A total of 18, ranging from the extreme right to the extreme left, will participate in the next elections. All parties will enjoy equal rights in a general election for chief of state, members of a new National Assembly, and municipal authorities. The Atlantic Coast region will elect its autonomous government. We have made sure that all political parties have access to the media for 30 minutes a day for campaign purposes. Costa Rica only grants political parties 10 minutes a day and Guatemala grants 30 minutes a week. We have asked the OAS and the EEC to send observers to verify that the elections are clean and free.

[Cusatto] What will happen if the Sandinists lose the elections. Will you leave power?

[Ortega] All polls show that 60 percent favor our party. Therefore, it is quite unlikely that we will lose. But when you participate in an election, you must accept the rules of the game. We will leave the government if we lose, but the people reserve their right to power.

[Cusatto] But the opposition "Bloc of 15" has said that the new electoral law, promulgated on 23 April by the National Assembly, is antidemocratic.

[Ortega] The opposition is mistaken, because the new electoral law is one of the most modern in Central America. For example, it authorizes foreign financial aid on the condition that the parties earmark 50 percent of what they receive for a common fund that will be used for the campaign as a whole. According to a recent report by the U.S. Library of Congress, our electoral system is decidedly democratic because of the method used to elect the members of the electoral court. In Chile and Costa Rica they are elected by the Supreme Court, but in Nicaragua they are elected by Congress. Furthermore, according to our law, political parties do not need to meet any limits in order to be legally recognized. In Chile, for example, they need 33,000 votes, while in Venezuela they loose their legal status if they do not participate in two consecutive elections. There is no discrimination in Nicaragua. Don't forget that there will be elections in Chile on 14 December and that the Marxist parties have been excluded.

[Cusatto] President Ortega, did you think that the relationship with Washington would improve with George Bush's election? As things stand, it seems that everything is the same as during Reagan's administration.

[Ortega] I believe that Bush favors a negotiated solution, but he was so involved with Reagan's policy, in his capacity as vice president, that he has not been able to do anything else so far. The problem is that the situation could change in the region with the establishment of the Salvadoran extreme right in power. The ARENA [Nationalist Republican Alliance], headed by Alfredo Cristiani, has murdered more than 600 Christian Democrat militants; just imagine what could happen now. Cristiani has already said he was against the disarmament of the 'contras' if the Salvadoran guerrillas did not do likewise. The United States must definitely decide on a true peace; it must withdraw its troops from Honduras and cut its aid to the 'contras.' This is what we are waiting for Mr Bush to do.

[Cusatto] You seem to expect a lot from the U.S. President. However, the deadline to disarm the 'contras' has expired, and they continue fighting.

[Ortega] It is true. Despite the Esquipulas II agreement, the war continues in Nicaragua. The 'contras' have 3,000 men in our territory. They have lost the war, but they continue murdering entire peasant families. Even 'contras' are dying. After all, the 'contras' are also Nicaraguans. Too much blood has been shed. That is why we have made our demands to Washington.

[Cusatto] The neighboring countries maintain that the Sandinist Army is armed in excess and receive advice from the Cubans, two facts that represent a threat to peace in the region.

[Ortega] We have been accused of having 8,000 Cuban military advisers. We have never had that many. Currently the number of Cuban advisers does not surpass 100. The charges that we are armed in excess are also false. I wonder who is threatening Honduras' sovereignty: we or the 'contras,' who in some areas of that country have become a true parallel army on the payroll of certain landowners. We were the ones to propose that Central America be declared neutral territory and that the arms race be stopped. We were the ones to request that the entry of new weapons be prohibited. The presidents said that they would look into our request, but there still has been no answer.

[Cusatto] In 1979 you released political prisoners, but 9 years later you are charged with once again having more than 6,000 political prisoners.

[Ortega] When we signed the agreement in Esquipulas, we were aware that we had to fulfill our commitments, so a few months ago we released 1,897 former Somozist guards. We do not deny that there are political prisoners in Nicaragua, because we respect human rights. Other

Central American countries do not have political prisoners because they simply murder them or make them disappear. In the United States these same prisoners would have been condemned to death for crimes less serious than those committed in Nicaragua. The former Somozist guards have already been released. As for the 'contra' prisoners, they will be released as soon as their commanders lay down their arms.

[Cusatto] After 9 years of war, your country is in a chaotic economic situation. In 1988 annual inflation was 32,000 percent, nearly a world record.

[Ortega] Our economic situation continues to be difficult. We have cut the Defense Ministry and the Interior Ministry budgets by 20 and 25 percent, respectively; we had to dismiss 23,000 public servants to hold down our fiscal deficit. The commercial embargo imposed by the United States has greatly affected our economy, to the point that we call it a survival economy. We just keep it from collapsing. We want to get out of this situation, but to do so we need international cooperation. The U.S. Government continues to exert pressure on its European and Latin American allies not to cooperate with us. Fortunately, in a recent tour abroad I obtained $50 million for my country. This has allowed us to save this year's rice and bean crops—which are basic staples in Central America.

[Cusatto] Peace and democracy cannot be maintained without economic development, and the region's countries are heavily indebted. Do you believe that a simple effort in management can solve the economic crisis that batters you?

[Ortega] I don't believe so. Venezuela and Argentina are in terrible shape, and they are good examples of an explosive situation on our continent. A political effort is no longer sufficient, nor is it sufficient to become more democratic. Concrete reforms are necessary to solve the serious social problems. We are saddled with a $440-billion foreign debt, but forgiving it will not help unless international commercial relations are restructured. Economic reforms are necessary, because the responsibility of dominant local groups is undeniable. Using the credits granted by the international banking system, these groups have enriched themselves, but when the time to repay those credits comes around, they pass the bill to the workers.

Ortega Meets Region 6 Agricultural Producers

PA0507165089 Managua Radio Sandino in Spanish 1207 GMT 5 Jul 89

[Text] Nicaraguan President Daniel Ortega Saavedra held a 'Face the People' meeting in Matagalpa with Region 6 agricultural producers and responded to a large part of the agricultural producers' financial demands. The Perla theater was filled with producers and peasants. Once again, Ortega harshly criticized producers who support the COSEP [Higher Council of Private Enterprise] policy. After listening to the proposals by those attending the meeting, the president announced a 100 percent salary raise for agricultural workers, from 7,148 cordobas to 14,179 cordobas. He also announced to producers that beginning on 6 July, those who have bank deposits of less than 2 million cordobas will be reimbursed the total sums deposited. Those working with their own resources will receive the sums withheld in two allotments. [Begin Ortega recording] Producers who have deposits at the bank totaling up to 2 million cordobas will get their funds back as of 6 July. Those who have 1.5, 1.8, or up to 2 million cordobas—who are the majority—will also receive their funds. Producers working with their own resources—for instance the comrade here [not further identified] who works with his own resources and not with the bank's funds—will receive all the money withheld at the bank. We have decided to extend from 1 July to 1 September the deadline to submit requests to reinvest profits to construct houses and to improve workers' social conditions—schools, movie theaters, commissaries, health centers, camps, and so on. We have also decided to authorize the sale of trucks to agricultural sector producers, in 24 installments. The monthly interest...[break in reception]

Panama

Dignity Battalions Block Fort Clayton Entrance

PA0507224789 Hamburg DPA in Spanish 2144 GMT 5 Jul 89

[Text] Panama City, 5 July (DPA)—Approximately 165 members of the so-called Dignity Battalions blocked the entrance to Fort Clayton, the main U.S. Army South military base in Panama, for 30 minutes today. The event took place without incident.

In the past few days, General Marc Cisneros, U.S. Army South commander, has openly criticized General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces.

Battalions Stage 'Protest'

PA0607005989 Panama City Circuito RPC Television in Spanish 2344 GMT 5 Jul 89

[Text] In an operation called "Gandhi-Panama," the Dignity Battalions picketed the Fort Clayton military base today to protest what has been described as the latest military occupations carried out by the U.S. Army in Panamanian territory.

According to Benjamin Colamarco, who led the group, the Dignity Battalions peacefully occupied the access lanes to Fort Clayton, while U.S. Army units looked on from the other side of the base limits. Colamarco, representing the battalions, delivered to Major Mansfield a letter addressed to General Marc Cisneros, U.S. Army South commander.

[Begin recording] [Colamarco] We want to say that this note that we are sending to Gen Marc Cisneros reflects our people's desire to have our sovereignty, our dignity, and the Torrijos-Carter Treaties respected, and, above all, to prove that we Panamanians are a peaceful people.

[Unidentified U.S. soldier] But do you understand the treaties?

[Colamarco] What did he say?

[Soldier] I understand what you are saying, but do you understand the treaties?

[Colamarco] Of course, we understand them in depth.

[Mansfield, in English] He says that he respects it. I respectfully ask him to stand back there off the brown site.

[Soldier] If you respect the treaty, the major asks you to please stand back, because you are on a brown site.

[Unidentified Dignity Battalion member] We are on a brown area right here, but that area is a white area, distinguished foreign officer.

[Soldier] If you respect the treaty, you will comply with it. The treaty says that you can be on white sites.

[Dignity Battalion member] We have come to deliver that note, and we will withdraw to a white site, which is the territory of the Republic of Panama, as is this site. [end recording]

Reportage on Reactions to U.S. Army Activities

Noriega 'Cautious' in Comments

PA0507184089 Hamburg DPA in Spanish 1747 GMT 5 Jul 89

[Text] Panama City, 5 Jul (DPA)—General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP], told the press that "he who laughs last, laughs best" when he was asked about the increasing number of maneuvers by the U.S. Southern Command troops stationed in Panama.

Noriega met the press [on 4 July] at the end of a ceremony to present the book "Rio Hato Military Base...A Humiliation Halted, and a Step Forward for the Dignity of the Liberated Territory." Gen Noriega, who in the last few days has been the target of criticism by U.S. Army South General Marc Cisneros, was very cautious with the reporters.

"There are many lions and tigers here," the high-ranking military officer said in referring to the reporters, while putting his fingers to his lips to signify he would not say more on the subject.

The Panamanian Government accused the Southern Command of violating the canal treaties in its recent mobilization of troops outside the military areas and of intimidating the civilian population.

Meanwhile, U.S. General Marc Cisneros announced that the maneuvers carried out by his Army are specified in the treaties. He said that the maneuvers will continue because they are part of training exercises related to the threats posed by the current situation involving Panama and the FDP.

News Conference Views Situation

PA0507230489 Panama City Domestic Service in Spanish 1607 GMT 5 Jul 89

[News conference with Acting Foreign Minister Rodolfo Chiari de Leon, Strategic Military Council member Lieutenant Colonel Aristides Hassan, and Major Daniel Delgado, executive director for Panama Treaty Affairs, at the Atlapa Convention Center in Panama City on 5 July—live]

[Text] [Moderator] Lieutenant Colonel Hassan, will give us some details on the situation?

[Hassan] We believe it is necessary to inform journalists of everything that is happening with the U.S. Army stationed here in Panama. By that, I mean all the violations, the total lack of respect, the arrogance, and the lack of the necessary coordination between the U.S. Army and the Panamanian department in charge of these matters, that is, the COGECODESE [General Command of the Defense and Security Commission].

Looking at the map, I want to brief you on the incidents that took place on 1 and 2 July in Panama. At 0925 on 1 July, the U.S. Army carried out a military operation without any coordination with or advisory sent to the Panama Defense Forces [FDP]. The troop movements and military equipment used have an impact on the security of citizens, including U.S. residents, and any other foreigners visiting our country as tourists.

A Chinook transport helicopter was used to deploy troops to the Gamboa area. As you can see, Gamboa is in the pink area—excuse me, the red area. As established in the canal treaties, red is the color used to identify areas that are under Panama National Police surveillance. Any type of maneuver to defend the U.S. citizens living in the area must be coordinated with the FDP. The U.S. Army did not do this; its excuse was that... [Hassan changes thought]. Can you see the green area on the map? Green stands for an area of military coordination, an area where they [the U.S. Army], after advising the FDP, can carry out any type of security maneuver, including joint maneuvers. They disregarded all this and virtually invaded Gamboa with troops transported in helicopters and tanks.

While I am on the subject of tanks: According to the treaties, they must advise and coordinate with us whenever tanks are mobilized. They must advise us of any tank and heavy equipment movement along our national highways. In order to conceal tank movements, however, they take them out of the bases one by one. They then meet in a previously agreed upon site and carry out maneuvers.

Article 15 of the Torrijos-Carter Treaties states that vehicular and heavy equipment movement must have an FDP military police escort.This is for their own safety. A group of more than three vehicles is considered a convoy. However, as I said earlier, they move their tanks out of the bases one by one and meet in a previously agreed upon site; they then arrogantly form a huge convoy. The purpose is intimidation. That is what they tried to do. They left from Fort Clayton, Cocoli, and Rodman Air Base. Their meeting site was at the entrance of Gamboa, where they blocked all civilian access to the area We consider these to be civilian areas; these are what we call white areas, areas that our citizens can freely use. However, the U.S. Army blocked all access to the area. When we were advised of this, we immediately tried to reach our counterpart. Our counterpart on the U.S. side is a U.S. citizen: Colonel Robert Perry. Every time something like this happens, Col Perry conveniently cannot be found; we cannot locate him. We have a hot line that should be operational on a 24-hour basis. However, during the 24-hour period that the maneuvers took place, the hot line was left unattended. I have yet to get an explanation from him as to what happened in Gamboa. This demonstrates complete disregard for our people.

We went to Gamboa after they blocked the area off. We tried to speak to the officer in charge and all we got from him was: I do not speak Spanish; I do not speak Spanish. There was actually no officer in charge. We then decided to cut off their exit in hopes that we could get an explanation to please the Panamanian Government and people. Gamboa residents were frightened. They had no idea of what was going on. They did not even know whether it was the beginning of World War III.

A second maneuver was planned for the next day in another area, which they describe as essential for canal operation—the Madden Dam area. Black Hawk helicopters were used to deploy troops on either side of the dam. They even drove their tanks on our highways without prior coordination. No type of coordination was done prior to this movement. Town residents 20 km away were frightened by all the tanks headed toward the dam area. Again we tried to locate our U.S. counterpart; no one answered our calls.

Not satisfied with all that had transpired, they [the U.S. Army] decided to deploy a large patrol to the Chilibre water purification plant. They used our highways and crossed through white areas. The patrol headed directly to the Chilibre water purification plant. Earlier they had taken over the dam; after that they arrived at the water purification plant. They were fully armed with war materiel, including RPG's. They threatened a group of officials who were touring the water purification plant and asked them very sensitive questions. That is what happened over the weekend.

We are following the example of our commander; we must definitely protect the generation of the year 2000. They are trying to poke our wounds to provoke us; however, we will follow the commander's example—we will not be provoked. We are responsible for a society, for a generation that will regain total sovereignty. That is why we will use reason and why we must use intelligence.

Moreover, yesterday the famous [U.S. Army South Commander] Marc Cisneros made a statement. He told the press that he had indeed ordered these operations and that he would order more. It is important to denounce this statement given the incompetence and irresponsibility of the officers who are in command of the more than 12,000 troops in a peaceful country and who are trying to lead us to a holocaust.

Regarding these operations, we continue to denounce the low altitude military overflights of our cities and towns. This happens continuously. They apparently have learned nothing from their experience at Chilibre, where one of their helicopters crashed and three crew members died. We also continue to denounce the threatening presence of tanks and convoys on our streets, avenues, and national highways. This is what I have to say now. I will answer any questions later following the panel's conclusion. Thank you.

[Moderator] David Carrasco.

[Carrasco] I would like to... [Carrasco changes thought]. I am David Carrasco of the Inter-Press Service and the biweekly BAYANO [Panamanian publication]. Why have you waited until now—specifically, 5 days after the event—to issue an official protest? Why did the IDAAN [National Water and Sanitation Institute] personnel at the water purification plant receive the Americans and give them the information they requested? Had not the proper instructions been issued? Did no one try to stop them?

[Unidentified speaker] I will clarify the situation: The next day, 3 July, the IDAAN held a news conference to report what had happened at the Chilibre water purification plant. None of our officials answered any of the U.S. soldiers' questions; quite the contrary, they asked the soldiers what they were doing on the premises and what they wanted. The U.S. soldiers, as Lt Col Hassan has already said, responded: I do not speak Spanish.

I have here one of the witnesses; he was in charge of the plant. His name is Mr Bernal, Rafael Bernal, who can testify and tell you what the U.S. Army did. Furthermore, the area in which the Chilibre water purification plant is located is completely surrounded by a wire fence; the U.S. soldiers broke through and went over the fence.

[Moderator] Claudio Herrera [not further identified].

[Herrera] What specific actions will the government take to protest this violation before international forums?

[Chiari] Look, first of all, the ambassador to the OAS [Roberto Leyton] is there. He will personally present documents to the OAS secretary general and to each of the countries belonging to that organization. The same will be done at the United Nations by our ambassador, Mr Leonardo Kam, so that the UN Security Council learns of what recently happened in Panama.

[Carrasco] [Words indistinct] and at the WHO?

[Chiari] We will denounce this incident before the Pan-American Health Organization and the WHO, because U.S. Army soldiers occupied the water purification plant and, as you know, this could pose a threat to our health. Mr Carrasco, I wish to point out that the IDAAN news conference was held, I believe, before noon on 3 July, and they had abandoned the area at 0830 that same day.

[Moderator] Gonzalez [not futher identified] of radio station Onda Popular.

[Gonzalez] My question is mainly for FDP staff members: It was said here that this is not the first time that the U.S. troops have carried out this kind of maneuver. It was also pointed out that the FDP has learned that these maneuvers will be taking place in the following weeks or days. What will the FDP's position be on these new mobilizations, which the FDP knows will take place? I want to know whether the FDP will block the passage of these convoys or lodge a diplomatic protest. What is the FDP's position?

[Unidentified speaker] The FDP position—and specifically that of our organization, the COGECODESE—is to demand compliance with the canal treaties. This implies respect for each and every one of its articles. They can continue their provocation and intimidation, but we will not fall into that trap. We will continue to (?monitor) their moves; we will go to wherever they hold maneuvers to carry out security measures whether they like it or not. We did that in Gamboa and Chilibre.

The U.S. Army soldiers managed to get there. Someone asked: How did they manage to arrive at the water purification plant? They walked through the forest. They came from the back, walking along a (?path) running parallel to the National Highway between Chilibre and Madden to arrive directly at the plant. They did this because surprise is part of their military strategy.

To return their tanks from Madden to Clayton, they were forced to wait for the arrival of FDP Military Police to escort them back, as one does when one walks students to school. We escorted them back to their fort; we will continue to do so.

[Moderator] Ana Maria de Paulis [not further identified]

[De Paulis] [Words indistinct]

[Unidentified speaker] Mr Cisneros said yesterday that he will continue to step up... [changes thought]. How will this be implemented? They do not coordinate their actions and disrespect the treaties. The versatility and professionalism of our institution prevents them from advancing their plans.

[Moderator] We ask the companero to identify himself and his media.

[Aguilar] Florencio Aguilar from Mexico's NOVOSTI News Agency. My question is: Are reports about the concentration of Nicaraguan contras at the Costa Rican border accurate? What do you think about this evidence of the general plan to intimidate Panama? What steps could the Panamanian Government take against the Costa Rican Government?

[Chiari] The report to which you refer is unconfirmed. As far as we know, there are no contras at the border. News from abroad has been disseminated to disinform. Should the need arise, we would be forced to take appropriate measures.

[Moderator] Roberto Rodriguez.

[Rodriguez] Recently, a U.S. military helicopter crashed and caused some damage, particularly to the [word indistinct] and installations of the Institute of Hydraulic Resources and Electrification. Has the Panamanian Government presented bills to the U.S. Government for the damage to the installations [words indistinct]?

[Unidentified speaker] Colonel, you were there and handled this case.

[Hassan] Yes, damage was caused. The canal treaties stipulate that when these foreign forces cause damage to Panamanian property or injure Panamanian nationals and the claim exceeds the stipulated amount of $1,400, it must be paid. The claim is currently being processed. What happens is that since they continue ignoring... [changes thought] They are continuing the economic aggression, and they are handling every claim from us at a snail's pace. This is happening now with our claim for this damage.

[Molina] Alfredo Molina of Panama City Telemetro Television. No clear indication has been given to the community as to whether or not the water at the Chilibre purification plant was contaminated when the U.S. troops raided it [words indistinct].

[Unidentified speaker] After the U.S. soldiers left the area, and as we routinely do every day, we analyzed the water. Fortunately, it was not contaminated.

[Reporter] Luigi Eunadi, U.S. representative to the OAS, said on 29 June during the USIS Worldnet program, which is beamed to Latin America, that if no political solution is found to the crisis in Panama, the United States can claim that the security of the Panama Canal is threatened and invoke Article IV of the canal treaty, which I believe says the United States can intervene to defend the canal.

Brig Gen Cisneros said yesterday that the situation between the FDP and the U.S. Army is dangerous. He said it is dangerous but did not explain if Southern Command officers had said that when they carried out the maneuvers in Gamboa and Chilibre, they were applying an article of the Neutrality Treaty that grants them the right of free transit through Panamanian territory. Can Lt Col Hassan or Maj Delgado explain to us if their assertion that they are taking advantage of the treaty is right? What is the position of the Foreign Ministry and the FDP with regard to the troop movements and to Cisneros' statements? The military maneuvers and Cisneros' strong statements seem to be related.

[Hassan] I will answer part of the reporter's question, and Maj Delgado will make a final statement.

Only the Americans are failing to provide canal security right now. They are totally responsible for the canal's security at this point. The FDP has offered continued security, protection, and respect. We are not overflying defense sites, threatening sensitive areas with helicopters, or intimidating the civilian population. The FDP is upholding the treaties' letter and spirit.

I have explained that in accordance with the treaties, over three U.S. Army vehicles must not travel together on our highways. For the FDP, over three vehicles constitute a convoy. This is stipulated in the treaties. Furthermore, U.S. Army convoys must have a Panamanian escort when they travel from one point to another. This is why the U.S. Army has opted to have its vehicles leave any given starting point one by one, meet at a certain point, and form a threatening convoy. Of course, as soon as we become aware of this, we intercept them and make them comply with the canal treaties. Does that answer your question?

[Reporter] [Question indistinct]

[Hassan] This is a very important point, because the United States has been using this criterion and has established its own interpretation of this issue in an effort to prove to the Panamanian people, the international community, and the American people that it is entitled to do this.

The United States has absolutely no right to intervene in the Republic of Panama. Panama has granted the United States the right to have its vehicles circulate on Panamanian roads, as established in Article 15 of the Agreement in Implementation of Article 4 of the Panama Canal Treaty. Article 15 states: When in the performance of official duties, the vessels and aircraft operated by or for U.S. Forces may move freely through Panamanian airspace and waters, without the obligation of payment of taxes, tolls, landing or pier charges, or other charges to the Republic of Panama and without any other impediment.

Thus, U.S. Army vehicles are authorized to circulate without paying tolls; they are not authorized to use Panamanian territory for maneuvers.

In accordance with Article 4 of the canal treaties, any military activity must be coordinated beforehand with the Republic of Panama. Furthermore, this same article states that for a military convoy or a large number of vehicles to transit as a unit outside the defense sites, the U.S. Army must consult with the Combined Board so that if time and circumstances permit, adequate traffic arrangements can be made, including an escort by Panamanian traffic patrols. Let us see what the article [Insert 2c of Article 15] states: In connection with the movement of any military convoys, or any large number of vehicles as a single unit, outside of the defense sites, the U.S. Forces shall consult with the Combined Military Board so that, if time and circumstances permit, proper traffic arrangements will be made, including accompaniment by Panamanian traffic patrols.

There must always be coordination with and authorization from the Republic of Panama. Consequently, the U.S. Armed Forces' statements to the effect that Panama authorized the U.S. Army to use all its territory and gave the United States the right to intervene in Panama are totally false.

[Moderator] Please identify yourself.

[Reporter] [Words indistinct] issued a communique complaining that their troops and military vehicles have been stopped by the FDP while on official missions. Do you think that the increased aggressiveness of U.S. military movements is a reaction—whether based on true or imaginary circumstances—to what they describe as a policy of harassment against the U.S. military?

[Delgado] I think that Col Hassan can best answer that question because he is in direct contact with the military forces, the military aspect of relations. However, I do not wish to imply that there has ever been any harassment by the Panamanian Government against the U.S. military. On the contrary, by providing escorts, we have made it easy for them to carry out their activities, which is their right. There has been no harassment. We believe that they have simply taken one more step in the general campaign of intimidation and provocation carried out against Panama by the U.S. Armed Forces in Panamanian territory.

[Hassan] I would like to say this, and I speak from a military standpoint. As you saw in news reports, they used rented civilian vehicles and put military tags on

them, while, on the other hand, they put civilian license plates on military vehicles. In other words, they violated every traffic regulation in Panama. What we did was detain them and take them to the stipulated place, which is the Military Police station, to turn them over to their [word indistinct]. We have to detain whoever breaks the law. They have violated the laws right and left. Perhaps this is what they are arguing that their people are being stopped and detained. They are being detained because all they are trying to do is to continue their psychological and low-intensity warfare throughout our towns and at our garrisons by using these vehicles in this way. This is the true situation.

[Moderator] We thank our fellow newsmen for their participation in this news conference.

[Chiari] I would like to...

[Moderator, interrupting] One moment, please. Mr Minister would like to make an announcement. Then we will distribute a communique.

[Chiari] I wish to announce that this morning we officially delivered to Fernando Manfredo, deputy Panama Canal administrator—and who now occupies the position of administrator in the absence of the incumbent—a note in which the Panamanian Government notifies him of Panama's proposal concerning the appointment of the new canal administrator. As you know, the honorable legislator [Tomas Gabriel] Altamirano Duque was selected for the position. In addition, today or during the next few days, we will deliver these notes to the U.S. Government, the OAS, and the United Nations to inform them officially of the Panamanian Government's proposal. This has been done, of course, in accordance with the Panama Canal Treaties. In other words, this has been done in accordance with every provision of the 1977 Torrijos-Carter Treaties.

Communique Denounces Activities

PA0507165989 Panama City Domestic Service in Spanish 1603 GMT 5 Jul 89

[Foreign Ministry communique issued 5 July; read by Acting Foreign Minister Rodolfo Chiari de Leon from the Atlapa Convention Center in Panama City]

[Text] The Foreign Ministry strongly denounces before national and international public opinion the escalation of actions of provocation and military intimidation staged by U.S. Army troops in the sovereign territory of the Republic of Panama over the past few days.

On Saturday, 1 July, U.S. Army troops, supported by armored personnel carriers and helicopter gunships, entered the township of Gamboa in the reverted area, where many Panamanians live and where Panama Defense Forces [FDP] branches are located. The irresponsible and provocative attitude of the foreign troops could have unleashed a confrontation of grave consequences for the civilian population and the country's peace.

On Sunday, 2 July, another U.S. Army contingent, carrying sophisticated military weapons, surrounded and entered the installations of the National Water and Sanitation Institute, IDAAN, plant at Alajuela Lake, and the installation of the Water Purification Plant in Chilibre, which serves the cities of Panama and Colon. These threatening and intimidating actions were staged against the personnel who work in the plants and area residents.

This last action is even more serious, because the IDAAN Water Purification Plant bears no relationship to the canal's operation or protection and is located in an area that has always been under exclusive Panamanian jurisdiction.

The Panamanian Foreign Ministry considers these operations to have the clear purpose of familiarizing the U.S. troops with areas and installations of vital importance to the country's two largest cities. The Foreign Ministry denounces these actions as a grave violation of the Panama Canal Treaties of 1977, which show absolute contempt for the rules of international law that safeguard the Panamanian nation's territorial integrity and sovereignty, as established in the UN and OAS Charters.

These actions also constitute a grave threat to international peace and security and are one more step in the U.S. Government's plans to intervene militarily in Panama and forcefully achieve its goal of hegemonic domination.

The Foreign Ministry, on behalf of the Panamanian Government and people, reiterates its steadfast position demanding of the U.S. Government strict and faithful fulfillment of the Panama Canal Treaties and respect for all sovereign territory of the Republic of Panama.

Daily on 'Provocation' at Plant

PA0507162489 Panama City MATUTINO in Spanish 5 Jul 89 pp 1, 18

[Text] It has been reported that on 4 July, U.S. troops were again involved in arrogant and provocative acts of intimidation at the Chilibre water plant against the civilian residents of that community, just 30 km from Panama City.

On the afternoon of 4 July, helicopter gunships, tanks, and soldiers in full combat gear continued an excercise aimed at cutting off the water service to the civilian population once they are ordered to consolidate the invasion they have already begun against our country.

Chilibre water plant sources spoke to MATUTINO correspondents and confirmed their reports of the U.S. soldiers' aggressive and irresponsible actions on 2 July. The sources added that the soldiers took photographs and video recordings of the area, and they also asked questions to obtain sensitive, national security information.

Video recorded by Televisora Nacional proves that approximately 50 soldiers occupied the water plant installations and pointed their weapons at executive, administrative, and other plant officials.

An Institute of National Aquaducts and Sewers (IDAAN) spokesman stated that the U.S. Southern Command's denial that U.S. soldiers occupied the area is "cynical and false" and is intended to deceive domestic and international public opinion.

The soldier [U.S.Brigadier General Marc] Cisneros himself—a frustrated officer from the Vietnam and Bay of Pigs wars—contradicted the Southern Command when he stated that, in effect, he had ordered the occupation and warned that he would continue to do so. He said these actions were done to defend the Panama Canal.

Something else that proves that the Southern Command lied is the fact that a conversation was held between U.S. and Panamanian military personnel within the Chilibre water plant installations.

Tax Exemptions for U.S. Personnel Suspended

PA0507185689 Panama City MATUTINO in Spanish 5 Jul 89 pp 1, 18

[Text] MATUTINO learned yesterday, that IPAT [Panamanian Tourism Institute] had suspended the tourism tax exemption for U.S. Armed Forces military and civilian personnel.

The source noted that the Torrijos-Carter Treaties state that U.S. citizens are to receive exemption of these taxes when their trips are linked to purposes included in the treaties.

However, despite the fact that since 1987 and repeatedly after that, IPAT personnel had requested official procedures to be followed, U.S. representatives to the Joint Committee have not submitted the authorized form duly sealed and signed by a person previously accredited by these organizations. [IPAT and Joint Committee, presumably]

The source added that this lack of compliance does not allow IPAT to verify if the exemptions conform to the norms stipulated in the Panama Canal Treaties.

Solis Palma on 'Special Formulas' Being Studied

PA0507182589 Hamburg DPA in Spanish 1640 GMT 5 Jul 89

[Text] Panama City, 5 Jul (DPA)—Panamanian President Manuel Solis Palma has reiterated that "there is no possibility of a power vacuum" in Panama as of 1 September when his term expires. Solis Palma said that "special formulas are being studied" with a view to implementing them as of that date.

Solis Palma responded in this way to contentions by various political groups that there could be a power vacuum in the Executive and Legislative Branches because of the annulment of the 7 May elections and because of the impossibility of holding new elections in the near future.

The president did not disclose the options that are being studied, but other sources have suggested extending Solis Palma's term for 2 additional years or forming a provisional government junta with the participation of the current government, the opposition, and the military.

At the end of a political ceremony held last night at the Atlapa Convention Center, Solis Palma said that if there is no dialogue among the military, the opposition, and the government—as suggested by an OAS mission—"circumstances will dictate new alternatives, after all communication among these groups is completely broken off."

He said that the mission appointed by the OAS to evaluate the country's situation "has not said it will return to Panama," adding that "dialogue has not taken place simply because the opposition is unrealistically disregarding the fact that the elections were annulled."

"So far, those who are opposed to the government have not said they are willing to sit down under realistic terms at a dialogue table," Solis Palma said, explaining that "with or without dialogue, the republic will continue."

Meanwhile, the Authentic Panamenist Party and the eight parties that form the progovernment National Liberation Coalition (COLINA) have invited the presidents of the political groups, including the opposition groups and the Armed Forces, to a dialogue with an open agenda with the purpose of adopting decisions by consensus that will contribute to solving the Panama crisis.

On Corruption in Government

PA0307012889 Panama City Televisora Nacional in Spanish 2337 GMT 1 Jul 89

[Text] During today's meeting with technical boards and corregimiento representatives, Manuel Solis Palma, minister in charge of the Panamanian Presidency, criticized the passivity of government sectors and government-supporting parties in light of the present situation. He also said he does not intend to continue in office after 1 September. This is part of Solis' analysis.

[Begin recording] After consulting in six of the country's nine provinces, it has been determined that we will continue to govern. [applause] This is desirable. Yet we have to make possible what we desire. We recite Torrijos' words as if we were poets. However, we are not poets and do not identify with him; we can only recite his words.

Today it is Saturday. Frankly, I am concerned that, although an invitation was made to meet and discuss important issues and sound out the opinions of important groups, rank-and-file leaders, corregimiento representatives, groups representing Torrijos, and the structures he created, such as community committees, health committees, and peasants' settlements, are not here today, despite the power he gave to workers to strengthen the labor movement and his efforts to make education progressive and popularly available and to improve the people's health. If the meeting had been convened for Thursday or Friday or any other work day, they would perhaps be here because they would have contributed part of their usual time at work. [applause]

However, today is Saturday and they usually go to the beach, go shopping, take a stroll, or do anything else on a day like this. Some of them go to the beach in government-owned cars simply by removing the yellow stripe that identifies these vehicles. In the interior, people say: The man won a car in an instant lottery. Why? Because in this kind of lottery, a number appears after scratching the ticket's surface. These officials scratch and erase the yellow stripe from their cars. [People laugh] Maybe some of the people absent today went to the beach in one of these vehicles.

We should see more than 90 government employees sitting down in front of us. The directors and deputy directors of decentralized institutions alone should total 84. We have to add the 12 deputy ministers. This makes 96. Let us subtract 7 or 10 who have colds and are nearly dead somewhere. [People laugh] Where are the more than 80 remaining? There are less than 30 here. If you dare touch them, they say: Our political freedom is being restricted and we are being disturbed. [Applause] Will they continue to keep their political freedom? They will lose everything, everything, absolutely everything. [Applause]

This is what is at stake. What happened with the elections? They were annulled because they had been vitiated both by them [the opposition] and us. Many wanted the Panama Defense Forces [PDF] to give them a job. So they did nothing. We also vitiated the elections. It is impossible to determine who won the elections, if the votes could be honestly counted. No. There could be cessations [as heard] or whatever they please, but it was impossible to count the votes, because only 201 out of 4255 tally sheets arrived at the Electoral Tribunal. It is impossible to determine who won the presidency. How can we determine the results? They kept the rest. The lists of voters never reached the Tribunal. In all honesty, it is impossible to announce a winner in the elections.

But the three of them [Endara, Arias Calderon, and Ford] continue to say they were elected president, first vice president, and second vice president. We remained silent the whole time. Our parties were silent. The number eight seems to be fatal, because that was the number of parties in Marcos Robles' [former president] time. Eight parties. What happened? Where are the actions of the eight parties? We must do something. The opposition is doing everything to take over government offices, march to the Presidency, and take over the government on 1 September. They are working with this purpose in mind. Yet we keep saying: We will stay in power. With what, with this? No. Power is not held this way. Power is held by working, visiting communities. This is why I had to step forward and say: We will not relinquish power. The reaction was quick in coming: You say it because you want to continue in office. Heck, I do not want to stay. I want the government, not me personally, to stay.

I am not interested in staying in office myself, but we cannot surrender the revolutionary process. We cannot yield it. This is why I have gone out into the streets, not for myself. [applause] Seek one or two men who can take over power tomorrow. We will be able to go on. I am willing to take up a position anywhere. Let the government appoint me as DIMA [Metropolitan Sanitation Directorate] director, in charge of collecting garbage or any other position. I am willing to work. This is not the problem. The problem is that, while they were saying they would assume power on 1 September, we said nothing. So I had to say: We will not give up power. Let them say whatever they want, because no one can claim victory in the elections and it is necessary to decide who will take over. Hence the consultations. We wanted to know your opinion. However, the idea is not only to say it, but to know how we will structure the government and how we will support it. So you have said: Well, we have the PDF. You mean to say that the PDF can be attacked here and General Noriega can be attacked and be labeled an evil, corrupt man abroad? This is the campaign being waged abroad. We have let him and the PDF bear the brunt of the burden. What are we doing?

This is a much deeper subject than what we have been analyzing. Many of these things could be occurring but, gentlemen, we must unite. I think the people's power, the Legislative Assembly, the Legislative and Executive Branch, and the PDF should begin to form a single, coordinated group with the political parties to establish fronts to defend Panama and preserve the revolution for the good of the Panamanian people. If we do not do this, if we do not coordinate our forces like this, we will be taken by surprise on 1 September with no adequate structure to continue in power. Everything would be lost. [applause] Let us not worry for the time being over

whether Hanono [Isaac, Commerce and Industries Minister] receives the representatives or not. Excuse me, Hanono is a businessman, not a representative.

This is not what we are discussing. Let us first hold the structure of the revolutionary and progressive Panamanian state. Then we can start correcting any mistakes, but we must consider the essential aspects first. The Colon meeting was very fine, but not everything was clear in other meetings, although they have been excellent. If, however, we fail to conclude this meeting with proposals for an organization to defend the Panamanian nation and the struggle for national liberation, we will not have done much. They are working; they have international support. Endara is in Chiriqui. I think Ford is in Los Santos or will go there tomorrow. They have been meeting, organizing. Where is our response? It should be in the provinces, districts, and corregimientos. This is what we must do. The party directorates were invited to this meeting, but I do not see them here.

We must go foward. I do not intend to meet only with a group of representatives. I think we must hold a meeting with all our 400 corregimiento representatives next week to discuss how we will organize, what we have, and how we will deal with any opposition abuse. They even dared air a paid ad over Circuito RPC Television yesterday. This is a challenge. We cannot permit it. We must meet the arrogance with which the state powers are being challenged, but we have to do it with organization. Let us not leave all the work to the PDF. No. We also have a primary responsibility in this historic moment of the country.

Let us organize. The decision to have a high or low chamber or the people's power will be analyzed later. What must remain is the people's permanent participation in the decision-making in the country. This is the structure that must remain. Where are the community committees, technical councils, peasants' settlements, the people's structure that was created? Where is DIGEDECOM [General Directorate of Community Development]? Where is the entire social and people's organizational structure? This is what we must revive now for later. [end recording]

Government Minister on 'Unlikely' U.S. Invasion

PA0107033389 Panama City Telemetro Television in Spanish 2300 GMT 30 Jun 89

[Interview with Rodolfo Chiari de Leon, government and justice minister and acting foreign minister, by unidentified reporter; date and place not given—recorded]

[Text] [Chiari] We informed the OAS of the Panamanian Supreme Court of Justice ruling declaring the annulment of the 7 May elections legal. We are waiting for the OAS to get in touch with us either through the OAS secretary general or through one of the foreign ministers who visited our country.

Foreign Minister Jorge Ritter is now in Europe conducting various official missions assigned to him by the Panamanian Government. We believe the results of those missions will be very positive as far as the benefits Panama may obtain are concerned.

[Reporter] Mr Minister, have any OAS foreign ministers announced an upcoming visit to Panama?

[Chiari] No. I believe Mr Endara was the one who said that. The Guatemalan foreign minister said the mission will let us know soon whether they will come in the next few days or not.

[Reporter] Mr Minister, there is much talk about a political vacuum in the country on 1 September. What does the government have in mind? Could it be the formation of a government junta or the extension of Manuel Solis Palma's mandate?

[Chiari] That has not yet been decided. We believe there will not be a power vacuum in the country; that is clearly stated in the country's administrative code. We will have to make a prompt decision. That is why we want to hold a dialogue with the opposition. The Panama Defense Forces will participate in that dialogue as part of the Executive Branch.

[Reporter] U.S. spokesmen have said that if Panama does not reach an internal, political solution to its conflict, there is the possibility of a U.S invasion of Panama.

[Chiari] I have not heard of that lately. We believe such an event is very unlikely. It would be criminal to attack a practically defenseless people. I believe that will not happen because such action would cause a great stir not only in Latin America but throughout the world.

Press Criticizes U.S. Army General Cisneros

Cisneros Called 'Dangerous'

PA0307131289 Panama City LA REPUBLICA DOMINICAL in Spanish 2 Jul 89 p 6-a

[From the "In Passing" column by Justo Arroyo: "Complexes That Kill"]

[Text] He is dangerous, no doubt; yet he is careful because of his enormous amount of complexes.

Being a U.S. Army general with the name Cisneros, you must live with the mistrust of the Smiths and the Joneses. You are forced to pass a daily test to demonstrate your name is your only remaining Latin characteristic. Being a U.S. Army general named Cisneros is equivalent to representing the former slaves who, as soon as they won their freedom, purchased slaves and treated them even more brutally and mercilessly than the white slave masters themselves.

Being a U.S. Army general with the name Cisneros, you practice subservience and flattery to the extreme of personal sacrifice because it is vital to prove you are better than the Smiths and the Joneses—last names you envy while you curse your own.

Being a U.S. Army general with the name Cisneros, you must polish your English, abhor Spanish, and despise every Latin custom, although you must strategically pretend you are proud of your Spanish ancestry.

Being a U.S. Army general with the name Cisneros, you have to live with the bitterness of a schizophrenic, unstable person and with a finger on the trigger to prove you are more of a gunman and a murderer than Dirty Marc, pardon me, Dirty Harry.

Being a U.S. Army general with the name Cisneros is equivalent to being the leader in torture, massacres, and genocide, because it is important to outdo all the Lieutenant Calleys that have ever existed.

Being a U.S. Army general with the name Cisneros is being sick with patriotism, having a fever in the presence of the stars and stripes, and weeping when hearing the national anthem. It is feeling like a super, superpatriot—more patriotic than Superman, Batman, and Reagan together—and living in a world of fantasy like Superman, Batman, and Reagan.

If you are a U.S. Army general with the name Cisneros, you are aware that you are a token, a screen figure, to make the world believe Latins, Chicanos, and Puerto Ricans are not discriminated against in the United States and that, if they prove to be more immoral, merciless, or unscrupulous than normal little Yankees, they can climb and reach all positions in the system.

Being a U.S. Army general with the name Cisneros entails aspiring to be appointed Southern Command chief as the topmost goal in your career to make up for your defeats in Vietnam and the Bay of Pigs and prove you still have the guts to riddle with bullets women and children with last names like your own. This way, you will finally rid yourself of all your complexes and graduate as murderer, a degree you will hold forever.

Cisneros' 'Provocations' Noted

PA0407010889 Panama City CRITICA in Spanish 3 Jul 89 p 4

[Editorial: "Gamboa—The Ongoing Criminal Aggression"]

[Text] At the change of command ceremony during which he took over as commander of the Southern Command [as published] troops, General Marc Cisneros presented his credentials arrogantly and provocatively. This purely administrative ceremony received special coverage in the written media that support the imperialist expansion in our hemisphere.

Cisneros said that his troops are ready to enter into action "whenever necessary" and since so far the conditions have not existed to create such a need, the general, whose resume notably includes his participation in the Vietnam war—the Americans' sense of patriotism has still not recovered from the loss of that war—is acting as if the Panamanian people are at war with his troops. The occupation of the Gamboa area, which reverted to Panama about 10 years ago, clearly reflects Cisneros' nature and threatening tone. The deployment of armored cars and troops is proof of the squandering of logistical resources to threaten people who have never given up their right to recover their territorial integrity and sovereignty. To add the exhibitionism of Gamboa to the constant violations of the Torrijos-Carter Treaties is pointless.

While news agencies and publications project a repressive image of Panama and describe our government as a dictatorship, these humiliating provocations are not publicized abroad. Not even the OAS considers them while examining and passing judgment on our political and economic situation.

About 24 hours later, the site of intimidation changed to Chilibre. Tomorrow it could be any other part of the national territory.

Impotent and irresolute, indecisive and cruel, the U.S. interventionists who until 1965 always got their way through a landing operation, are trapped in the web of their own contradictions; they cannot invade a country of 2.5 million inhabitants.

Carlos Fuentes, the prize-winning Mexican author, maintains that ever since the Reagan and Bush administrations came to power, the United States has not dared to attack any country with over 5 million inhabitants. He states that Libya and Grenada demonstrate this. "It has not even been able to wipe out the Sandinist regime in Nicaragua," he said. The thing that Washington has failed to realize is that, more powerful than its apparatus of death and disinformation is the historical determination of 300 million Latin Americans to reject all forms of intervention. Our country has been subjected to intervention, and if the OAS fails to use that fact as a starting point, the ongoing criminal aggression and Cisneros' intolerance will add to the shameful story that began with California, Texas, Arizona, and Mexico—the land of Cisneros' forefathers—a heroic page of the people of a small country who, through their ability to resist and their courage, led all the progressive men of our race to stand up and deal a final blow to the monster of interventionism.

We are already used to these displays, which are as spectacular as they are criminal. We have no nerves to tremble; we have the strength to resist in defense of this fatherland that will not surrender to any Cisneros.

Legislators Conclude Regular Session Period

PA0307022289 Panama City Domestic Service in Spanish 1100 GMT 2 Jul 89

[Text] With the approval of the draft bill appointing the Panamanian administrator of the Panama Canal Commission, the Panamanian legislators have completed another period of regular sessions. Ministers of state, directors of autonomous institutions, and prominent Panamanian politicians attended the Legislative Assembly's closing ceremony. Legislative Assembly President Celso Carrizo gave the closing remarks.

[Begin Carrizo recording] It has not been easy to fulfill the duties assigned to us by our Constitution. Despite internal and external adversities, we have worked with patriotism and determination to draft laws and handle administrative and judicial matters involving this parliament.

In accordance with our legislative powers, we discussed and analyzed many bills and draft bills, 97 of which became laws. These were all different bills but always for the good of the country. For example, we amended several of our codes and laws. The amendments made to the Judicial Code are noteworthy. We approved many international agreements, and we approved laws to give incentive to and protect various production sectors of the country. With help from citizens and organizations that participated in the meetings of the various Legislative Assembly permanent commissions, we drafted laws that contribute to Panama's development.

In this fifth session period, we studied 46 draft bills and approved 17 important laws, including the protocol of amendments to the OAS charter, the law to give incentive to micro and small enterprises and the law of weights and dimensions for the protection of our highways. We also drafted Article 285 of the Constitution on the purchase of property for embassies. We also approved the very important Law 16 of 1989, which established the procedures to follow in selecting the Panamanian administrator of the Panama Canal Commission. [end recording]

Supreme Court Suspends TEP Magistrate

PA0207023389 Panama City CRITICA in Spanish 1 Jul 89 p 1, 14

[Text] Concerning charges filed by Emilio Royo Linares because of "persistent obstructions and obvious partiality in the handling of matters in which the Authentic Arnulfist Panamenist Party is involved," the Supreme Court, through a resolution issued on 29 June, as proposed by Magistrate Bernabe Perez, decided to "decree the suspension of Aurelio Correa as Electoral Tribunal [TEP] magistrate for the duration of this investigation."

According to the law established in Articles No 2005 and No 2007 of the Judicial Code, and as instructed by the Supreme Court, the Attorney General's office shall conduct a penal investigation based on the aforementioned charges. For corresponding effects, this Resolution was sent to the Honorable Legislative Assembly, the authority that nominated the suspended TEP magistrate.

Argentina

Future Economy Minister on Exports, Dollar Rate

PY0507183389 Buenos Aires TELAM in Spanish 1134 GMT 5 Jul 89

[Text] Buenos Aires, 5 Jul (TELAM)—Future Economy Minister Miguel Roig has said that during his administration "there will be a fixed, single dollar exchange rate and the Central Bank will withhold a part of the foreign exchange earned from exports." Regarding the payment of a bonus [suma fija no remunerativa] to salary earners, Roig said that "the details are being adjusted," and added that after salaries and utility rates are fixed we will have "a truce period" of about 4 months.

Roig emphasized that because of the present state of the economy "we will have to implement very harsh adjustment measures. The alternative is disorder and chaos."

Roig said: "I think this is the price we have to pay and we must not be scared by it. We must all participate in building a different Argentina, but first we must implement these adjustments which are the price we must pay if we are to overcome the present disorder which is the result of the recent, and not so recent, regretful handling of the economy."

Roig told Radio Continental that the continuous price increases are "the consequence of dealing with a weak currency and the lack of firm and stable economic rules."

Roid said: "A price agreement is our goal; we would like to have free competition after the agreement, but the present distortion is so great that we must first implement a stage of price agreements."

Regarding salary increases, Roig said "the details are being adjusted, particularly regarding the bonus, which we think is very important for the poorest sectors and which are going to support, like everyone else, the consequence of the updating of utility rates to their traditional levels."

Regarding the possible 4-month "truce" following the initial adjustment of salaries, utility rates, and prices, Roig said: "I would like to see a truce,. We should be able to maintain prices without any great surprises after the initial adjustments. It is our goal."

Roig denied that his administration was planning to grant "soft loans" to small- and medium-sized business (PYME): "We will not have discriminating loans because we are not in the loan market. We will let interest rates float because if we control credits we will be controlling the system." Roig added.

ATC Personnel Strike for Indefinite Period

PY0607034089 Buenos Aires TELAM in Spanish 0320 GMT 6 Jul 89

[Excerpt] Buenos Aires, 5 Jul (TELAM)—As of 1730 [2030 GMT] today the technical and operations staff and artists of Argentina Televisora Color (ATC) began a strike that was called by the Argentine Television Union [Sindicato Argentino de Television] (SAT). The strike could be extended until 8 July, and it would then affect the transmission of the presidential inauguration. According to union sources the strike was called by the SAT because of "the delay in the payment of a 100-percent salary increase" that has been promised to the union. [passage omitted]

Foreign Ministry Under Secretary Designated

PY0507212889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1132 GMT 5 Jul 89

[Summary] Mendoza, 5 Jul (NA)—Juan Antonio Zapata, an economist from Mendoza, has reportedly been designated Foreign Ministry under secretary for multilateral cooperation. Zapata is 46, and he has been a friend of Foreign Minister-designate Domingo Cavallo for a long time. They jointly wrote the book "The Federal Challenge," which deals with the development of the Argentine countryside and the relationship between the federal capital and the provinces.

Brazil

Environmental Agreement Signed With UK

PY0607014689 Brasilia Domestic Service in Portuguese 2200 GMT 5 Jul 89

[Text] Brazil and the United Kingdom of Great Britain and Northern Ireland today signed a protocol seeking to protect the environment and human life.

The memorandum was signed on Tuesday [as heard] at Itamaraty, by Brazilian Foreign Minister Abreu Sodre and UK Minister for Overseas Development [title as heard] (Christopher Patten). The objective is to find adequate solutions to environmental problems through an exchange of information, transfer of technologies, and development of joint projects on a priority basis.

Sodre explained why Brazil signed this protocol.

[Begin Sodre recording] A representative of a nation comes here to say the following: We must cooperate with Brazil—respecting Brazilian sovereignty—in scientific and technological sectors. By signing an agreement such as this one, Brazil maintains its credibility before this great friendly nation. [end recording]

The Brazilian foreign minister added that this expansion of the bilateral cooperation for the environment will establish concrete initiatives of interest to both nations. He added that this protocol will also strengthen the friendly relations between Brazil and the United Kingdom.

Finance Minister Discards Moratorium, Devaluation

PY0607015289 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 5 Jul 89

[Text] The government will not decree a moratorium on the foreign debt, nor will it implement a new minidevaluation of the new cruzado. Finance Minister Mailson da Nobrega has stated in Rio de Janeiro that the government's concern is to maintain the foreign currency reserves.

[Begin Nobrega recording] The government does not intend to suspend payments. We might delay payments a little, if necessary, to maintain our reserves at an adequate and satisfactory level. [end recording]

Apple Juice Co-Produced With USSR, Sweden

PY3006164089 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jun 89 p 9

[By Giovani Lorenzon]

[Text] The Soviet Union will enter the apple juice market with Brazilian and Swedish partners. This will probably take place by August 1990, when Progress—a joint venture [preceding two words in English] involving the Soviet company Lipetsk Sadpintomnik Gosagropom, the Brazilian companies Sucocitrico Cutrale and the Citrosuco Paulista, and the Swedish company Tetra Pak—will begin operating in Lipetsk, USSR [all company names as published].

"Such international cooperation was absolutely unthinkable 3 years ago," F.F. Khlevnoy [name as published] stated. Khlevnoy is Deputy Industry Minister of Russia [title as published] (the largest of all Soviet Republics) and chairman of the administrative counil of Progress. The other representatives of the council are Brazil's Carlos Viacava, (former director of Cacex) [Foreign Trade Department], and Lars Erik Janson (of Tetra Park). The first annual meeting was held yesterday.

The enterprise, which will consume some 16 million rubles—that is, some $25 million—by the time construction of the factory is complete, was formed in July 1988. The Soviet partner owns 51 percent of the initial capital of $9 million. The Soviet partner will be in charge of operating the factory and supplying apples. The three remaining companies each own 16.33 percent of the capital, and they have specific obligations.

In addition to providing know-how [preceding word in English] for the production of concentrated juice, the Brazilian partners will be in charge of international trade. The Brazilian partners will receive an additional benefit, in that the Soviet partner has guaranteed the import of concentrated orange juice. The Soviet Union will initially import 1,000 tons of orange juice, and that amount will later be increased, Viacava stated. He is keeping an eye on a potential market of 300 million people. The Swedish partner will contribute the packaging technology, which is widely used in Brazil and has been provided by the Tetra Pak factory in Campinas.

According to Khlevnoy, this industry will be able to produce between 18,000 and 20,000 tons of apple juice yearly, but the initial production, which will begin in the Soviet July-August season, was predicted to be 5,000 tons. Some 40,000 tons of fruit will have to be picked during that season. Overall Soviet production is estimated at 500 million apples. [figure as published].

Although Khlevnoy stated that the Soviet apple production is not sufficient for domestic consumption, he said that Progress will export 90 percent of its product. Potential destinations include the United States, Canada, and Japan. The companies that make up this joint venture hope that these markets will guarantee a profit, which will be divided in the same proportions as capital participation.

Khlevnoy added: "We are also interested in pectin (an orange by-product) and in soybeans." He warned, however, that the Soviet Union is short of money for any major international trade.

* Progress of Submarine Construction Reviewed

33420066 Rio de Janeiro MANCHETE in Portuguese 27 May 89 pp 25-30

[Article by Helio Contreiras]

[Text] There is a lot of activity at the Rio de Janeiro Navy Yard. Workers and engineers are joining two sections of the external shell of the first conventional submarine manufactured in Brazil, a starting point for a future atomic submarine. Navy Minister Admiral Henrique Saboia points out that only technologically advanced countries like the United States, the Soviet Union, China, France, England, and West Germany build these kinds of superweapons. Brazil is entering an ultraexclusive club, and is taking a deep breath before plunging into the waves of modern naval war strategy.

A few months ago, MANCHETE was given exclusive rights to document the start of construction on Brazil's first submarine, which it will be launching in the waves of modern naval war strategy. Today the dream of all generations of sailors—already well underway—is beginning to become a reality. In giving priority to construction of this warship, Navy Minister Adm Henrique Saboia pointed out that submarines are built only by countries that are highly advanced technologically, like the United States, the Soviet Union, China, France,

England, and the Federal Republic of Germany. He also said that advances in naval technology are beneficial to countless areas of exclusively civilian interest.

At the Rio de Janeiro Navy Yard, in a huge machine shop with 70 skilled workers earning above-average wages, the frame of the first Brazilian submarine is beginning to take shape, based on a West German design. The day on which MANCHETE's photographer appeared at the shipyard, the workers and engineers were involved in a special job. They were preparing to join two sections of the warship's hull. This is the start of shaping the frame. The Navy gave Nuclep [Nuclebras Heavy Equipment], a subsidiary of the former Nuclebras, the job of manufacturing the hull, which helped that state enterprise to breathe more easily by reducing its high rate of idle workers. This problem was caused by a slowdown in the pace of the Brazilian Nuclear Program, under which earlier ambitious plans called for construction of nine nuclear plants. Nuclep, as an obvious result of the program cuts, was fully prepared to handle the Navy's order.

One of the most complicated jobs being done by the Navy Yard workers is soldering the sections of the hull. A second stage in construction will require moving the ship to a floating dock which is in the final stage of construction at the Rio Navy Yard itself. Adm Henrique Saboia regards construction of the submarine as a very important link in the Naval Reequipment Plan, a program that has experienced setbacks as a result of budget restrictions.

The cost of the submarine project is $120 million, and construction is guaranteed by an external loan, which is disbursed as needed. The Reequipment Plan provides for the construction of three IKL 209 / 400-type submarines, similar to one ordered from the Federal Republic of Germany and scheduled to arrive next June in Brazil, called Tupy. All are as technically advanced as the American type.

To build the submarines, the Rio de Janeiro Navy Yard had to be reorganized so that it could handle the Navy's order. It had previously been equipped to build another type of sophisticated ship, a corvette. But it is only responsible for construction of two of the four corvettes scheduled to be built in the present stage of the Reequipment Plan. One reason for this is that the Navy decided to give projects of interest to civilian shipyards to them, so that the unemployment problem in the shipbuilding industry would not get worse, as orders for merchant ships have fallen off since the start of this decade. This problem has already led shipyards to lay off over 15,000 workers, forcing some yards into creditors' hands.

Next year the submarine under construction will be taken to the dock. It is scheduled to be launched in 1991, and will become part of the Navy that same year. But by 1990 two more submarines will be under construction at the Navy Yard, since by the second half of this year Nuclep will have begun manufacturing the hull of the second one. There will therefore be a lot of work in the coming years for the 10 engineers and technicians involved in building the submarines: welding frame sections, constructing piping, machineing, electricity, etc. In the general context of the Submarine Department, there is another item that the Navy considers relevant: acquisition of technology. The real chess game involved in joining the various pieces will considerably improve the technological training of the engineers and the professional skills of the technicians. They really constitute a strategic labor force, which is difficult to train and which the Navy Yard hopes to keep to eliminate technological dependence in the construction of sophisticated warships.

What do submarines represent for nations? The Navy's chief of staff and former director of Navy Materiel, Admiral Mario Cesar Flores, answers: "It is an essential warship for modern navies, which permits a higher degree of mobility on the seas than that provided by surface vessels. As for dependence on foreign countries for construction of warships, this of course entails limitations. Even maintenance depends on the expediency of the suppliers. If there are international complications, maintenance inevitably encounters problems."

With the prudence common to strategists (this is how he is regarded in military circles), Flores avoids drawing comparisons. But one thing is certain: If Argentina had had at least six submarines at the time of the conflict involving the Falkland Islands in 1982, the British reaction would have been much more difficult. The British would have encountered problems.

One question is always asked when Brazil has an expensive military project: How can a country with so many social problems spend so much money on its Armed Forces? The Navy chief of staff realizes that this question is directly related to another situation and to an old saying: "In Brazil, the lock is not repaired until the door has been broken down; or, people do not take care of themselves until they get sick." Like his colleague, Fleet Commander Admiral Ivan Serpa, the naval chief of staff recalls one truth: "It is no longer possible to do what was done during the Second World War, that is to improvise naval projects and decide 2 months beforehand to build warships and train the men to operate them."

If the technological paraphernalia involved in a warship is truly gigantic, officer training is not as simple as it was in the time of sailing ships or U.S. destroyers during World War II. At that time the United States successfully improvised construction of various warships after the attack on Pearl Harbor by the Japanese.

The construction of conventional diesel-powered submarines is a stage the Navy must go through. It is impossible to wave a magic wand and begin by building nuclear submarines. That would be like going from a turboprop airplane to a supersonic, without first developing a jet

plane, or from a steam locomotive to a bullet train. Thus, next June the Navy is planning to obtain an IKL 209 1 400-type submarine, built in West Germany, and to build at its Rio Navy Yard three similar submarines based on German designs. Then the N-1 submarine will be built on the basis of the Navy Engineering Office's design. This model will have some features of the nuclear submarine, such as submersion, command, and weapons systems. The N-1 may be ready by 1994 or 1995. A nuclear submarine is not planned to be included in the fleet before the end of the century.

Fleet Commander Admiral Ivan Serpa also said the following: "The submarine has a three-dimensional movement, it needs to be solid. Its hull must resist extreme external pressures. It represents an important technological advance." Adm Serpa pointed out that the country currently has three Oberon-type submarines built in England in the past decade: Humaita, Riachuelo, and Tonelero. It also has three U.S. Guppy-type submarines: Bahia, Amazonas, and Goias. The fleet commander reported that the Americans are restricting the manufacture of spare parts. Their equipment has become obsolete faster. The same problem is not of course true of the Oberon submarines, which are more modern and technologically up-to-date.

Ivan Serpa also argues that the fact that Brazil has no enemies does not mean it can afford to do without armed forces. Although the range of missiles was 60 meters at the time of World War II, today these weapons have equipment that allows them to correct their trajectory to reach long-distance targets. They have target-search radar.

Thus when they are programmed for a specific target, the moment of impact can be predicted by computers. Developments in military technology have enhanced the importance of training a ship's crew. "The days when recruits were paid and placed on a ship are over. The men have to be properly trained. The time of improvisation is over."

Nobody at the Navy doubts that the construction of the first conventional submarine will lead to construction of a nuclear submarine by the end of the next decade. Nor does anyone dispute the fact that the next submarines, even conventional ones, to be built at the country's Navy Yard will considerably raise the Navy's firepower. Equipped with highly sophisticated sensors, and a well-equipped fire direction system, not just for tracking but also for attacking multiple targets, the IKL 209 1 400 submarines represent the most modern technology in conventional submarines, according to the commander of the Submarine Force, Admiral Sergio Tasso de Aquino.

For Adm Tasso, it is absolutely essential to the country's external security for this warship to be built in Brazil. "Modern submarines with long ranges and considerable destructive power are capable of operating at great distances from their bases and even in areas frequented by the enemy, without being detected." Sergio Tasso de Aquino defends the nationalization of the systems, subsystems, and the warship itself, whatever vessel is involved. "The operational sophistication of modern submarines, the fruit of the high technology of their use, is obviously reflected in high costs." The whole support philosophy and the resulting systems integrated in them incorporate what is best about the latest generation of submarines.

What is the importance of submarines in modern military strategy? This can actually take various forms, but for Navy Chief of Staff Admiral Mario Cesar Flores, the primary characteristic of the submarine is its ability to operate clandestinely. "In certain circumstances, the role of the submarine in controlling an area can increase, without dispensing with ships and aircraft, mainly if the adversary is using aircraft, against which the submarine is useful only for detection and warning."

In the Falkland Islands conflict in 1982, the British submarines prevented the Argentine surface ships from entering the scene of the conflict after the cruiser Belgrano was sunk, but the resulting naval supremacy would not have been enough. What allowed them to retake the island was the capabilities of the British Air Force and fleet of surface ships to operate in the area, despite the efforts of the Argentine Air Force. In analyzing the 1982 conflict, Adm Flores makes it clear that the British success in the Falklands, attributed in the final analysis to its ships, aircraft, and land forces, would have been much more difficult to achieve without the participation of the submarines to control the theater of operations.

According to the Navy chief of staff, Brazil needs to have adequate military power to ensure its security. "Brazil should be able to impede hostile aircraft or ships from moving in and prevent its coastal waters from being used by a possible enemy (you will recall the French-Brazilian conflict in 1963 over lobster fishing in the waters of northeastern Brazil.)" This, in the view of the Navy's chief of staff, entails an ability to control the waters along the coast by ships (with their helicopters), aircraft flying over the land, and, in a supporting role, submarines, which could be conventional ones. Nuclear submarines would be more appropriate if submarine operations need to be conducted in distant areas, along the vectorial axis of the threat. On the basis of these factors, the admiral argues that Brazil should have both the conventional and the nuclear submarine.

He goes on to say: "Since the defense (close in and at a distance) of the ocean border deserves priority attention, there could be more conventional than nuclear submarines. In the long run, with the growth of Brazil's international projects, responsibilities, and interests, it will need to increase its presence in the distant waters of the South Atlantic, and this will lead to a need for more nuclear-powered submarines. One of the obvious reasons for this is the fact that nuclear submarines have a much greater range than conventional submarines, which are much more limited in their operability by refueling requirements.

The Navy's chief of staff also maintains that the ever important defense of the seacoast will not be jeopardized by this development. On the contrary, the nuclear submarine can do as well or even better what the conventional submarine does, and it can be used for distant defense, which puts it in a good position to discourage threats to Brazil by sea.

Mario Cesar Flores pointed out that in order to master nuclear submarine technology, one must first master the technology of the conventional submarine. "The current conventional submarine program is going to give us the know-how so that we can make the big leap to the nuclear submarine, perhaps towards the end of this century."

According to Mario Cesar Flores, the Navy is also doing research on submarine weapons systems, with a view to manufacturing some equipment for which the technology would be difficult to acquire. The weapons system on conventional submarines built at the Naval Yard will be similar to the system for nuclear submarines.

The naval chief of staff went on to say that Brazil is not receiving foreign support for its program to develop nuclear submarine technology. "On the contrary, we are meeting with resistance, pressures, and obstacles from other countries in all the following areas: technology pertaining to fuel, processing the ore to obtain enriched uranium ready for the reactor; reactor technology; the technology of the mechanical equipment (heat generator, heat exchangers, turbines, pumps, electric motors, and others, all duly integrated); and the technology for control of a potential naval nuclear system."

The Navy is participating in the Autonomous Nuclear Program with the National Nuclear Energy Commission, through which the country acquired the technology for enriching uranium by the ultracentrifuge method. In 5 years, a prototype reactor for submarines will be in operation in Ipero, 20 km from Sorocaba. Adm Flores had this to say in conclusion: "Taking an unbiased look at what is being done, nuclear propulsion will, in the final analysis, be a product of the autonomous nuclear program and its industrial and technical adjuncts and will have many other positive aspects, not confined to military interests but benefitting numerous civilian sectors such as energy and health." Most goods involved in Brazilian foreign trade (over 95 percent) are shipped by sea.

June Inflation Rate Totals 24.8 Percent

PY0407000889 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 3 Jul 89

[Summary] With the June inflation rate of 24.8 percent, the overall inflation rate between January and June now totals 175.6 percent. The announcement of this new inflation rate by the Brazilian Institute of Geography and Statistics this past weekend, has caused all economic indicators to be adjusted. Salaries will also be adjusted this month in accordance with the new policy approved by congress.

Fuel Prices Increased by Average of 11 Percent

PY0507024689 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Jul 89 p B-1

[Excerpt] Brasilia—The National Council for Petroleum (CNP) last night announced an average increase in fuel prices of 11 percent. The new prices will become effective at 0000 today. Gasoline prices increased from 0.64 new cruzados to 0.71 new cruzados; hydrated alcohol, from 0.48 to 0.53 new cruzados; diesel oil, from 0.32 to 0.36 new cruzados; regular kerosene, from 0.36 to 0.40 new cruzados; and kitchen gas, from 2.90 to 3.30 new cruzados (except in Pernambuco, where the price will be 3.17 new cruzados). These prices do not include municipal taxes. This readjustment authorized by the CNP will put more pressure on this month's inflation rate. [passage omitted]

April-May AIDS Cases Reported, Confirmed

PY0107130889 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Jul 89

[Summary] In the April-May period, 437 AIDS cases were reported, of which 296 cases were confirmed. This information was released by the director of the AIDS Division of the Health Ministry, Lair Guerra de Macedo.

Correction: Finance Minister on Moratorium

PY3006164689

The following correction pertains to the item headlined "Finance Minister on Possible Debt Moratorium," published in the 30 June Latin America DAILY REPORT, page 21:

Page 21, column two, penultimate paragraph, sentence one make read:...Finance Minister Mailson da Nobrega... (changing title)

Chile

Foreign Minister To Attend Menem Inauguration

PY0407195089 Santiago Radio Chilena Network in Spanish 1700 GMT 4 Jul 89

[Text] The Chilean Foreign Ministry today confirmed that General Augusto Pinochet will not attend the Argentine presidential inauguration to which he had been invited by outgoing President Raul Alfonsin. Foreign Minister Hernan Felipe Errazuriz will go to Argentina in Pinochet's stead.

According to an official report, Pinochet will not attend President-elect Carlos Raul Menem's inauguration because of previously scheduled activities.

The Chilean delegation will be headed by Foreign Minister Hernan Felipe Errazuriz. It includes Foreign Ministry spokesman Carlos Ducci and Sergio Gaete, Chilean ambassador to Argentina.

It has also been reported that the date when Errazuriz will go to Argentina has not yet been determined and that he will leave no later than 7 July, taking into account that the presidential inauguration will take place on 8 July.

Chilean political leaders, among them, Patricio Aylwin, the eventual single opposition candidate, as well as several Latin American presidents will attend Menem's inauguration.

Pinochet Resumes Duties After Bout With Flu
PY0307152189 Santiago Domestic Service in Spanish 1030 GMT 3 Jul 89

[Text] Today President Pinochet will resume his duties at La Moneda presidential palace after a 1-week leave at El Melocoton presidential residence, where he analyzed institutional problems.

Presidential palace sources have reported that Pinochet has been working on those matters since 27 June. They added that while at the El Melocoton presidential residence, which is in The Cajon del Maipo region at the foot of the Andes, Pinochet met with his closest advisers to discuss government issues.

It has also been reported that Pinochet has fully recovered from a bad case of the flu.

Pinochet is scheduled to dedicate an important health center in the Nunoa metropolitan district today.

Christian Left Supports Aylwin Candidacy
PY0507014489 Santiago Domestic Service in Spanish 2300 GMT 4 Jul 89

[Text] The Christian Left, which is one of the political movements of the Luis Maira-led PAIS [Broad Party for the Socialist Left]—a party created to reach certain objectives—has officially expressed its support for the presidential candidacy of Patricio Aylwin, Christian Democratic Party [PDC] leader.

Roberto Celedon, Christian Left secretary general and former Senator Rafael Agustin Gumucio visited PDC headquarters to communicate their party's decision to the PDC leader. Celedon, who announced the decision, said he hopes the future government—which they expect will be led by the current opposition—will bring human rights violations to court and pay what they called the social debt.

Upon thanking the Christian Left for its support, Aylwin reiterated that the country should advocate an attitude of peace and that if he wins the elections, his power will be shared by all Chileans; those who disagree will not be considered enemies of the state.

Socialist Party Faction Voices Support for Aylwin
PY0507192989 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 5 Jul 89

[Text] The historic faction of the Socialist Party has agreed to support Patricio Aylwin as the opposition coalition's candidate for president. This decision was made public by Juan Gutierrez, the general secretary of the historic faction of the Socialist Party, after conveying the party's decision to Patricio Aylwin at Christian Democratic Party headquarters.

Gutierrez stressed the generosity of Alejandro Hales, who gave the historic faction of the Socialist Party freedom of action in order to support a single consensus candidate.

Asked whether the fact that the opposition's coalition candidate is a Christian Democrat would discourage other parties more to the left from supporting Aylwin, Gutierrez said that difficult times that will require the solidarity of all Chileans are in store.

Gutierrez pointed out that over the past few months the country's economic growth rate reached an all-time peak and that a decline that will have an impact on the next democratic government is under way.

Socialist International Officers Named
PY0507220289 Santiago EL MERCURIO in Spanish 24 Jun 89 p C-4

[Summary] The acting chairman of the Radical Party [PR], Carlos Gonzalez Marquez, on 23 June reported that PR Chairman Enrique Silva Cimma was reelected as president of the Socialist International and that former PR youth leader Luis Ayala Longe has been designated secretary general of that international political organization.

PCCh Declaration: Pinochet Must Resign
PY0507184289 Santiago LA TERCERA DE LA HORA in Spanish 28 Jun 89 p 8

[Text] The Communist Party of Chile [PCCh] yesterday agreed with Christian Democratic Party President Patricio Aylwin by stating that "the great majority of the country demands that Pinochet resign all his posts," including the position of Army commander in chief.

The declaration was read by PCCh leaders Fanny Pollarolo, Carlos Albrechet, and Mario Benavente.

The PCCh also says that the Armed Forces "must reintegrate in society, as part of it, playing an important role in national development and the defense of the country's sovereignty."

Regarding the continuation of General Pinochet as Army commander in chief, the declaration says: "The idea of leaving up to Gen Pinochet whether or not he will remain as Army commander in chief until 1998 is also deeply antidemocratic."

The document further states that "it is unacceptable for him to remain as Army commander in chief for a quarter of a century based merely on his wishes. This means that the internal development of the Army depends on the will and criteria of a single man."

In another paragraph of the document, the PCCh declares its opposition to the Constitution reform proposal that will be decided by a plebiscite on 30 July.

Armed Group Attacks Mormon Church in Santiago
PY0507191089 Santiago Radio Chilena Network in Spanish 1700 GMT 5 Jul 89

[Excerpt] A group of armed individuals attacked a Mormon Church in La Florida District last night. The individuals forced a Mormon missionary to strip and burned the church's cultural hall.

Police sources have reported that the incident occurred in the church located at 9531 Santa Raquel Street in La Florida District. Fourteen people were inside the church at the time of the incident.

The police said that seven unmasked youths carrying revolvers went into the church and overpowered those inside the church and compelled missionary Balart to strip. They doused the church's cultural hall with gasoline and set it on fire. They also left subversive leaflets. [recorded passage omitted]

This incident was reported to police and Special Operations Group (GOPE) personnel deactivated a bomb the attackers had left in the church. This incident has been reported to the 17th Santiago criminal court.

Bombs Damage Phone Company, Court in Temuco
PY0307200889 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Jul 89

[Text] Two violent attacks occurred in Temuco last night at 2225, causing damage and panic among the people. The targets were the Chilean Telephone Company and the military court office.

The first attack was perpetrated against the Chilean Telephone Company office on the corner of Centeno and Portales Streets. The explosion damaged the facilities and the telephone system as well as the windows of the Claret Institute, nearby stores, and private residences.

The second violent explosion occurred almost at the same hour at the military court offices on Mackenna between Rodriguez and Portales Streets. The bombing destroyed the windows of the court and adjacent houses and caused panic among their residents.

Shortly after the explosions, personnel of a special squad went to the scene in an attempt to find the attackers.

Health Ministry Releases AIDS Statistics
PY0507013689 Santiago Domestic Service in Spanish 2300 GMT 4 Jul 89

[Summary] According to the Health Ministry, 149 AIDS cases have reported in Chile up until June 1989. This figure does not include the cases in which the disease is in its initial phase. More than 50 of the reported cases were fatal.

Colombia

Group Attacks U.S. Ambassador's Residence
PA0507163789 Paris AFP in Spanish 1625 GMT 5 Jul 89

[Text] Bogota, 5 Jul (AFP)—An unidentified armed group tried to attack the residence of Arthur McNamara [name as received, bureau records name as Thomas McNamara], the U.S. ambassador in Bogota, the private Radio Cadena Nacional, RCN, reported today.

According to the station, a U.S. Marine was shot in the shoulder.

The attack occurred at approximately 1545 GMT.

RCN said that McNamara was not at the residence and that he had traveled to Miami, Florida, aboard an Eastern airliner.

Further on Residence Attack
PA0507181289 Bogota Inravision Television Cadena 2 in Spanish 1747 GMT 5 Jul 89

[Excerpts] There was confusion early this morning regarding an incident in northern Bogota. Official sources have just confirmed the death of four attackers. The attack was not against the residence of the U.S. ambassador but a building next door. The building is called Altos de Rosales. Four criminals were killed and three soldiers were reportedly wounded during the raid on the building. It was also reported that the authorities seized a large weapons arsenal from the apartment the criminals were occupying in the Altos de Rosales building. Here is a report from Jesus Garzon.

[Begin recording] After exchanging gunfire with the criminals for an hour, the Army raided the Altos de Rosales building, located on 76th Street and 2d Avenue in northern Bogota. A group of unidentified men in the building are currently still firing at soldiers outside.

Police and military reinforcements have arrived in the area. After 2 hours, it is not clear whether there have been further casualties. Several ambulances have been called to the area but it has been difficult for them to pick up any casualties. [passage omitted]

Police and Army troops continue to arrive at the scene. However, authorities have ruled out that this was an attack on the U.S. ambassador's residence. [end recording]

Attack Appears Unintentional

PA0607012189 Bogota Inravision Television Cadena 1 in Spanish 0015 GMT 6 Jul 89

[Text] The Armed Forces' 11th Brigade held a news conference today to explain the successful operation it carried out near the U.S. ambassador's home. An official report indicates that emeralds valued at 80 million pesos and 1 million pesos in cash were found at the scene. The Army also seized weapons of various calibers and detained two individuals. One of the detainees is the brother of Chia Mayor Angel Gaitan Maecha.

Attention: One of the four individuals killed in the operation, which began at 1030 in northern Bogota, was identified as Carlos Julio Torres Angel, an attorney and deputy from Chia, for whom an arrest warrant had been issued by the municipal court in Chipaque on charges of forgery. General Niebles explained certain aspects of the operation:

[Begin recording] [Reporter] General, does the fact that a lot of emeralds were found at the scene of the crime mean that the people involved in this incident have ties with emerald dealers?

[Niebles] I cannot say for sure. All I know is that emeralds were found at the scene. That is all I know.

[Reporter] What organization or what type of criminals do you believe were involved?

[Niebles] I cannot say anything about that either. I know that FARC [Revolutionary Armed Forces of Colombia] subversive propaganda, weapons, and dynamite were found, but I do not know who the individuals were. That will be established by the investigation to be carried out by a judge.

[Reporter] Did the incident have anything to do with the U.S. ambassador?

[Niebles] No. I do not believe that there is any connection at all. These people were not—as far as I know—planning an attack against the ambassador or anything like that. [end recording]

Government Announces New Economic Measures

PA0607022389 Bogota Inravision Television Cadena 1 in Spanish 0020 GMT 6 Jul 89

[Text] The Colombian Government today announced new economic measures:

1. All credit card holders will continue to pay 30 percent of the total purchases made with their credit cards.

2. There will be a reduction in military spending because the government feels that military spending is out of control.

3. Government salaries have been frozen for the remainder of 1989.

4. The TELECOM [Colombian Telecommunications Enterprise] and ECOPETROL [Colombian Petroleum Enterprise] investment plans have been substantially curtailed to increase public revenue.

5. Measures affecting the coffee industry were also adopted.

The first bitter swallow—following the breakdown of the coffee pact and the drop in international coffee prices—will be taken by the coffee growers. A readjustment in the domestic price of coffee will not be made in October. The government might decide to reconsider maintaining the current price and opt for a gradual price reduction.

[Begin unidentified minister recording] We are not facing a crisis. This must be the main message conveyed to the people; everyone must understand this very well. The government must implement its decision and clarify that emergency measures will not be necessary. [end recording]

Meanwhile, the minister denied that changes will be made to control the use of credit cards or that card holders will be asked to pay more than 30 percent of the value of their purchases in each payment.

[Begin minister recording] I believe that in the short term there will be no changes regarding this matter. I do not know if in the medium term this will become necessary. However, I doubt that this will affect the monthly percentage that people are required to pay, since this has had favorable results. [end recording]

ELN Guerrillas Burn Oil Trucks, Ambush Patrol

PA0607030289 Paris AFP in Spanish 0302 GMT 4 Jul 89

[Text] Bogota, 3 Jul (AFP)—Armed Forces Commander General Oscar Botero Restrepo reported today that guerrillas of the pro-Castro Army of National Liberation (ELN) set fire to three tank trucks that were carrying oil from the Cano Limon oilfield in Arauca Department, which borders Venezuela, to Colombia's interior.

The attack was carried out in Boqueron, between Pajarito and Yopal, in Casanare Department, where the subversives have unleashed a violent campaign against Colombia's oil infrastructure to force their demands for the nationalization of the oil industry.

Gen Botero said that the rebels—who have dynamited the country's main oil pipeline, the Cano Limon-Convenas pipeline, 23 times thus far this year—intercepted the vehicles in the middle of the highway and set them on fire after forcing the drivers to get out of the vehicles. The ELN guerrillas simultaneously wrote slogans in support of the so-called Simon Bolivar National Guerrilla Coordinating Board. During the last few hours, this group agreed with President Barco's administration to begin a direct dialogue to seek peace in Colombia.

No deaths were reported in the attack by the ELN, which was founded during the 1960's and is led by Manuel Perez, a Spanish priest.

Meanwhile, another commando group from the Camilist Union (named in memory of Colombian priest Camilo Restrepo, who was killed by soldiers in 1966 while still a member of the ELN), ambushed a military patrol on the Agua Azul-Terranova highway, also in Casanare, killing two soldiers. Gen Botero said that two soldiers stepped on a mine during the guerrilla attack and three other soldiers were wounded.

Ecuador

DP Ends Collaboration With Government Party

PA0307130389 Paris AFP in Spanish 1903 GMT 2 Jul 89

[Text] Quito, 2 Jul (AFP)—Following a heated session in which a large sector of the party walked out, the Christian Democratic Popular Democracy Party (DP) yesterday decided to end its collaboration with President Rodrigo Borja's Democratic Left government.

DP President Vladimiro Alvarez announced a national board meeting on Monday to confirm the decision adopted by 22 delegates, who yesterday declared a general commission meeting while 21 other delegates who wish to continue working with the government met in a restaurant.

The board meeting was momentarily suspended after National Congress President Wilfrido Lucero and his group walked out, thus leaving the meeting without the necessary quorum.

Lucero argued that he represented the majority and that the majority wanted to maintain a patriotic collaboration, which rejects selfishness and mere election interests.

While Lucero was at the restaurant giving statements to the local media, two more delegates arrived at the party headquarters in Quito, where the session was being held, thus allowing the meeting to continue, and the decision was made to declare the meeting a general commission session.

The ID and DP made a cogovernment pact on 10 August of last year, and the DP's support guaranteed the government a comfortable parliamentary majority in exchange for important bureaucratic positions.

Borja and his spokesmen have stated their desire to maintain the alliance, but the Christian Democratic sector led by former President Osvaldo Hurtado (1981-84) believes that this would reduce the party's chances in the upcoming elections, the prospects for which appear good because of the party's sustained growth.

Hurtado always opposed the alliance, but the majority of the directorate members opted for the collaboration.

The 22 to 21 delegate split in the national board, the most important entity within the party, complicates the situation, and internal differences might lead to a division. This would be nothing new in Ecuador, which has 17 recognized political groups and a similar number of political movements that hope to become parties.

Alvarez, Hurtado, and their followers resolved at the general commission meeting that the collaboration will not be extended beyond 9 August, the eve of the parliament's annual internal elections, and that they will not agree to the ID proposal that the DP again assume the congress presidency with eight deputies.

Paraguay

Lawyer Confirms Release of Labor Leader

PY0507163189 Asuncion ABC COLOR in Spanish 5 Jul 89 p 47

[Text] Lawyer Heriberto Alegre yesterday confirmed that labor leader Efigenio Lisboa was released on 4 July. Alegre made this announcement following a telephone conversation with Lisboa, who is in Ciudad del Este.

Lisboa, who is secretary general of the National Construction Workers Union, was transferred from the General Staff headquarters to the Interior Ministry office in Ciudad del Este. While there he was allowed to receive visitors. Alegre said: "Lisboa called me to let me know that he had been released."

Lisboa was arrested in mid-June. Following his detention, Armed Forces Chief of Staff Brigadier General Eumelio Bernal told the press that the Armed Forces Commander in Chief had ordered Lisboa's arrest.

When Lisboa was detained, Alegre filed a plea for habeas corpus and the Supreme Court requested information related to the case.

Foreign Minister To Investigate Passport Scandal

PY3006172889 Asuncion EL DIARIO in Spanish 30 Jun 89 p 11

[Excerpt] Paraguayan Foreign Minister Luis Maria Argana left for Buenos Aires yesterday. Shortly before his departure he stated that the report on the illegal issuance of passports to foreigners will be thoroughly investigated. The minister was speaking about the case of the Paraguayan consul in Barcelona, Spain, who had reportedly been threatened by terrorists who had been issued Paraguayan identity papers.

Minister Argana, who yesterday traveled to Buenos Aires, where he will meet President-elect Carlos Saul Menem, said that there will be an investigation and that administrative action will be taken to clarify the charges made by Lilia Romero Pereira, Paraguayan consul in Barcelona, to the effect that Paraguayan passports had been illegally issued to Libyan and Iranian citizens involved in arms trafficking. [passage omitted]

Colorado Party Leader Returns From Meeting Menem

PY0207220889 Asuncion PATRIA in Spanish 2 Jul 89 p 1

[Excerpt] Luis Maria Argana, first vice president of the honorable Colorado Party Executive Board, returned to the country yesterday afternoon after a fruitful meeting with Argentine President-elect Carlos Menem.

Argana arrived yesterday afternoon on a Paraguayan Airline flight. In assessing the meeting, he noted the good attitude of the Peronist leader. [passage omitted]

Peru

Shining Path Guerrillas Attack Soviet 'Tourists'

PY0507165789 Buenos Aires TELAM in Spanish 1645 GMT 5 Jul 89

[Text] Lima, 5 Jul (TELAM-ANSA)—Eight Soviet citizens were seriously injured today when a bomb exploded inside a tourist bus that was on a downtown Lima avenue. The antiterrorist police reported that 10 other people were also injured and 2 vehicles were seriously damaged.

There was no confirmation on whether the attack was perpetrated by Maoist "Shining Path" guerrillas, who have killed several Soviet citizens in previous attacks in Lima and in the nearby Callao port.

Further on Guerrilla Attack

PY0507180689 Madrid EFE in Spanish 1700 GMT 5 Jul 89

[Text] Lima, 5 Jul (EFE)—A spokesman from the Bomb Squad (UDE) reported today in Lima that eight Soviet citizens sustained serious injuries when a bomb exploded inside a bus that was taking them to the Callao port. The bomb was placed in the chassis of the bus.

The spokesman added that the attack occurred on De la Marina Avenue, in front of the Peruvian Navy Ministry. The explosion partially destroyed the bus and damaged buildings in a 50-meter radius.

Preliminary investigations have established that 50 Soviet citizens who work on fishing ships anchored along the Peruvian coast were in the vehicle. The Soviets were returning to Callao after shopping in a local shopping center.

Alejandro Flores, the bus driver, reported that the bomb went off when the engine started. He added that eight passengers sustained broken arms and legs and third-degree burns. He also said that at least 20 passengers sustained slight injuries.

The UDE spokesman said the bomb was placed in the bus chassis while the passengers were shopping and the bus driver was talking with another bus driver, who was also transporting a Soviet group.

According to the police, no terrorist group has claimed responsibility for the attack, which occurred at 1020 local time [1520 GMT].

People living near De la Marina Avenue said the Soviet workers usually shop in the area.

In 9 years of political violence, terrorists have perpetrated several attacks on the Soviet Embassy in Lima, and Soviet cultural and commercial buildings, killing two Soviets and injuring several Peruvians.

Terrorists Kill Mayor, Governor, 8 More

PY0507172289 Madrid EFE in Spanish 1811 GMT 30 Jun 89

[Text] Lima, 30 Jun (EFE)—The Interior Ministry reported today in Lima that 10 people were killed in various settlements in the Peruvian Central Andean region yesterday. The 10 people, including the mayor and governor of a remote mountain district, were allegedly killed by Maoist Shining Path guerrillas.

Pilpichaca District (located in the highest part of Huancavelica Province) Mayor Maria Melgar Arone and Governor Ildefonsa Ventura were shot to death by the terrorists after being submitted to a "people's court."

Witnesses of the crime reported that the guerrilla, who charged the two officials with abusing their authority and getting rich off the people, claimed to be a Shining Path member.

The Interior Ministry also reported that another Shining Path command yesterday murdered three peasant brothers at the Ispico settlement (un Huanta Province, neighboring the Huancavelica Province, 550 km southeast of Lima).

The guerrillas violently dragged the victims from their homes, riddled them with bullets in front of the other members of the family, and placed a note on their bodies stating: "This is how the thieves who steal in the party's name die. Viva the people's war."

The same guerrillas apparently later entered a bar in Huanta, called a man, and when he appeared at the door shot him.

The guerrillas left a note on the victim's body similar to the one left on the peasant brothers; the ministry sources reported.

In June alone, the guerrillas have killed at least 341 civilians and military. According to official reports, 1,466 people have already been killed by the guerrillas this year.

Shining Path Kills 2 Elderly People in Junin

PY0507213289 Madrid EFE in Spanish 0446 GMT 4 Jul 89

[Text] Lima, 4 Jul (EFE)—Police sources reported today that two elderly people were murdered by activists of the Maoist "Shining Path" guerrilla movement in two towns of Junin Department, in the Peruvian central mountain region.

Emiliano Varillas, 70, and Vernardino Melendez, 69, were riddled with bullets last Saturday in Comas and Parco, respectively, accused by the Shining Path of having cooperated with the military.

The towns of Comas and Parco are some 50 km northeast of Huancayo, the departmental capital, which is 315 km east of Lima. These two towns are 5 km from each other.

The official report states that the two victims were taken from their houses and murdered in the parade grounds of their respective towns, accused by the "Shining Path" of giving shelter to Army patrols in May 1989.